

PRESS RELEASE



FOR IMMEDIATE RELEASE

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Sutron Reports Fourth Quarter Operating Results

*March 31, 2009, Sterling, VA...*Sutron Corporation (NASDAQ: STRN), a leading provider of hydrological, meteorological and oceanic monitoring products, systems, software and services, announced today its financial results for the three months and twelve months ended December 31, 2008.

Financial Highlights

The net loss for the fourth quarter ended December 31, 2008 was \$168,373 or \$.04 per share compared to net income of \$415,221 or \$.09 per share for the same quarter last year. Net income for the twelve months ended December 31, 2008 was \$524,294 or \$.12 per share compared to net income of \$2,066,933 or \$.46 per share for the twelve month period last year. Revenues for the fourth quarter ended December 31, 2008 were \$3,701,490 compared to \$4,896,265 in the fourth quarter of 2007. Revenues for the twelve months ended December 31, 2008 were \$15,941,328 compared to \$18,868,101 in the same twelve month period of 2007. The company's backlog as of December 31, 2008 was approximately \$7,239,000.

"Our fourth quarter results were disappointing," said Raul McQuivey, CEO of Sutron. "We had expected to win several large projects in 2008 that would have benefited our operating results. We did win a contract with the National Weather Service for \$765,000 in September 2008 but were not able to make any major deliveries before year end due to production scheduling. This project is expected to be shipped in the first and second quarters of 2009."

"Our 2008 fourth quarter operating results were impacted by operating losses of approximately \$169,000 in our Hydrological Services Division and approximately \$78,000 in our India operations. In India, we had fourth quarter foreign currency losses of approximately \$35,000 as compared to foreign currency gains of approximately \$20,000 in the fourth quarter of 2007. Foreign currency losses for the twelve months ended December 31, 2008 were approximately \$180,000 as compared to a gain of approximately \$179,000 in same period of 2007. We experienced increased general and administrative costs in the fourth quarter of 2008 as compared to the same period in 2007 due to legal fees relating to our Ilex Engineering acquisition, letter of credit fees relating to our contract with the Ministry of Energy and Water in Afghanistan and project management consulting fees relating to our new corporate building lease."

"We are pleased to report that we are in a strong financial position. We had cash on hand as of December 31, 2008 of approximately \$4,490,000, including restricted cash. We had working capital as of December 31, 2008 of approximately \$11,745,000. We do not have any long-term debt notes. We are also optimistic about our revenues and profitability in fiscal year 2009. We are aware of a significant international contract that is expected to be awarded to us within the next month. We are



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closely following the economic stimulus plan and believe that this will result in major customer orders in 2009 and 2010 from our federal and state customers.”

About Sutron Corporation

Headquartered in Sterling, Virginia, Sutron designs, manufactures and sells hydrological, meteorological and oceanic monitoring products, systems, software and services to a diversified customer base of federal, state, local and foreign governments, engineering companies, universities and hydropower companies. Sutron is a project driven business and the Company’s quarterly results may fluctuate substantially based upon large contract awards that are difficult to project in terms of timing and may be delayed due to the differing time frames in securing government approvals.

Safe Harbor Statement

The statements in this press release that relate to future plans, events or performance are “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Forward-looking statements include without limitation any statements regarding our expected future financial position, results of operations, cash flows, financing plans, business strategy, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, as well as statements that include words such as “anticipate,” “if,” “believe,” “plan,” “estimate,” “expect,” “intend,” “may,” “should” and other similar expressions are forward-looking statements. All forward-looking statements involve risks, uncertainties and contingencies which may cause actual results, performance, or achievements to differ materially from anticipated results, performance, or achievements. Factors that may cause actual results to differ materially from those in the forward-looking statements include those set forth in our filings with the SEC, including the disclosure under the heading “Business” and “Management’s Discussion and Analysis” in the Company’s Annual Report on Form 10-KSB filed on March 31, 2008. We are under no obligation to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

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Sutron Corporation Consolidated Balance Sheets December 31, 2008 and 2007

	December 31, 2008 (Audited)	December 31, 2007 (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,705,475	\$ 5,299,904
Restricted cash and cash equivalents	784,920	134,241
Accounts receivable, net	3,872,527	3,614,532
Inventory	4,053,788	4,114,014
Prepaid items and other assets	302,633	477,754
Income taxes receivable	983,875	-
Deferred income taxes	308,000	312,000
Total Current Assets	<u>14,011,218</u>	<u>13,952,445</u>
Property and Equipment, Net	372,745	579,282
Other Assets		
Goodwill	570,150	-
Other Assets	95,057	99,308
Total Assets	<u>\$ 15,049,170</u>	<u>\$ 14,631,035</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,200,721	\$ 823,114
Accrued payroll	129,142	285,829
Other accrued expenses	794,307	995,123
Notes payable – current	2,765	38,381
Billings in excess of costs and estimated earnings	139,117	246,448
Total Current Liabilities	<u>2,266,052</u>	<u>2,388,895</u>
Long-Term Liabilities		
Notes payable, net of current maturities	-	2,075
Deferred income taxes	59,000	84,000
Total Long-term Liabilities	<u>59,000</u>	<u>86,075</u>
Total Liabilities	<u>2,325,052</u>	<u>2,474,970</u>
Stockholders' Equity		
Common stock	45,707	45,257
Additional paid-in capital	2,778,775	2,694,416
Retained earnings	10,009,105	9,484,811
Accumulated other comprehensive loss	(109,469)	(68,419)
Total Stockholders' Equity	<u>12,724,118</u>	<u>12,156,065</u>
Total Liabilities and Stockholders' Equity	<u>\$ 15,049,170</u>	<u>\$ 14,631,035</u>

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Sutron Corporation
Consolidated Statements of Operations
Three and Twelve Months Ended December 31, 2008 and 2007

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Twelve Months Ended December 31, 2008	Twelve Months Ended December 31, 2007
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenues	\$3,701,490	\$4,896,265	\$15,941,328	\$18,868,101
Costs of goods sold	2,700,775	3,123,666	10,566,685	11,219,321
Gross profit	1,000,715	1,772,599	5,374,643	7,648,780
Operating expenses:				
Selling, general and administrative expenses	1,013,541	888,507	3,511,079	3,312,088
Research and development expenses	320,285	352,503	1,228,661	1,293,207
Total operating expenses	1,333,826	1,241,010	4,739,740	4,605,295
Operating income	(333,111)	531,589	634,903	3,043,485
Financing income, net	19,738	47,632	108,391	121,448
Income before income taxes	(313,373)	579,221	743,294	3,164,933
Income tax expense	(145,000)	164,000	(219,000)	(1,098,000)
Net income	(\$168,373)	\$415,221	\$524,294	\$2,066,933
Net income per share:				
Basic income per share	\$(.04)	\$.09	\$.12	\$.46
Diluted income per share	\$(.03)	\$.08	\$.10	\$.41