LOS ANGELES -- Ducommun LaBarge Technologies reported third-quarter net sales slipped 2.4% to $107.4 million on lower demand for natural resources and industrial end-markets.

Business from the military and commercial aerospace sectors offset some of the drop, the Top 40 EMS company added.

Operating income was $10.5 million, or 9.7% of revenue, up from $7.3 million (6.6% of revenue) in the third quarter 2011 on a better mix of higher margin products. EBITDA was $15.2 million, or 14.1% of revenue, compared with $12 million, or 10.9% of revenue, in 2011.

Overall net income was $5.1 million, up $2.2 million from 2011, excluding pre-tax merger-related expenses of $2.7 million, on $184.1 million in sales.

“Ducommun’s focus on the bottom line again produced tangible results this quarter,” said Anthony J. Reardon, chairman, president and chief executive. “While revenue was flat both year-over-year and sequentially, reflecting some softness in segments outside aerospace and defense, we recorded higher operating performance across a number of fronts driven by better asset utilization and improved product mix. Our margins expanded, cash flow rose, and earnings increased."

The contract assembly segment's net sales for the first nine months of 2012 were $325.3 million, including $160.8 million in revenue attributable to its acquisition of LaBarge, compared with $168.8 million in the prior-year period. Operating income was $29.3 million, versus $12.1 million a year ago. EBITDA was $43.4 million, compared with $18.9 million in the prior-year period.

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