

FOR IMMEDIATE RELEASE

ROCKFORD CORPORATION

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**ROCKFORD CORPORATION REPORTS
SECOND QUARTER 2012 RESULTS AND ANNOUNCES OFFER TO
REPURCHASE UP TO \$8.4 MILLION OF COMMON STOCK AND
POTENTIAL BOARD CHANGES**

Tempe, Arizona, August 13, 2012--Rockford Corporation (OTC Pink: ROFO.PK) today announced financial results for the three and six months ended June 30, 2012 and its offer to repurchase up to \$8.4 million of common stock in a modified "Dutch Auction."

Financial Performance

Net income for the three months ended June 30, 2012, was \$2.1 million compared to \$1.8 million for the same period in 2011. Net income for the six months ended June 30, 2012, was \$5.1 million compared to \$3.1 million for the same period in 2011.

Net sales for the three months ended June 30, 2012, increased 12.0% to \$19.0 million compared to net sales of \$17.0 million for the same period in 2011. Net sales for the six months ended June 30, 2012, increased 17.9% to \$39.6 million compared to net sales of \$33.6 million for the same period in 2011. The increase in net sales for the three and six month period was primarily due to increases in Rockford's core aftermarket and international sales channels. OEM royalty revenue for the six months ended June 30, 2012, was \$0.8 million compared to \$1.4 million for the same period in 2011.

As a percent of net sales, gross margin for the three months ended June 30, 2012 decreased to 37.0% compared to 38.3% for the same period in 2011. As a percent of net sales, gross margin for the six months ended June 30, 2012 decreased to 38.7% compared to 39.0% for the same period in 2011. The decreases in gross margin as a percent of sales for the three and six month periods are primarily due to lower royalty revenue.

Operating expenses for the three months ended June 30, 2012, were \$4.9 million compared to \$4.7 million for the same period in 2011. Operating expenses for the six months ended June 30, 2012, were \$10.2 million compared to \$10.0 million for the same period in 2011.

William R. Jackson, Rockford's Chief Executive Officer and President, commented, "The company performed well in the second quarter. Our portfolio of aftermarket brands and products continue to gain strength in the marketplace. Several retailers and international distributors, however, have reported softer business patterns in the second quarter of 2012 compared to the first quarter of 2012. Our OEM business remains solid but royalty revenues are down approximately \$0.6 million for the first half of 2012. This is primarily due to lower production of Mitsubishi vehicles equipped with Rockford Fosgate branded audio systems."

Mr. Jackson observed: "Our Sound Lab demonstration vehicles continue to travel across the USA helping retailers promote car audio and expose consumers to the Rockford Fosgate experience. In addition, The Van's Warp Tour has been a great promotional program this summer. The Sound Lab and the Rockford Fosgate team are currently on a 41 city concert tour with the Van's Warp Tour. Our participating retailers are getting great consumer interaction and exposure for their stores."

Mr. Jackson noted: "I am pleased to announce that we have signed an agreement granting us the exclusive distribution rights to the Blaupunkt brand of mobile electronics for the North American market. In addition, Rockford and Blaupunkt are extending their cooperation to service the global OEM market. By leveraging each party's respective regional strengths, product portfolios and support structures, the companies plan to offer global solutions for automotive and commercial vehicle platforms. Blaupunkt has a rich history of innovative consumer electronic and OEM automotive based products. They are

located in Hildesheim Germany and have manufacturing facilities in Malaysia and China.”

Mr. Jackson continued: “We are excited about the opportunity with Blaupunkt. Although the brand has been fairly quiet over the past several years in North America, it is a brand that is clearly identified with quality and performance and has strong name recognition.”

Mr. Jackson concluded: “In summary, we are pleased with our second quarter and year to date results. Although the market remains challenging, we are cautiously optimistic about the future and are working hard to grow with our partners.”

Liquidity and Capital Resources

Rockford’s cash provided by operations was \$1.2 million for the six months ended June 30, 2012 as compared to \$0.3 million during the comparable period in 2011. Net income of \$5.1 million was the primary source of cash from operations and an increase in account receivable of \$4.1 million was the primary use of cash from operations.

Rockford’s asset-based credit facility with Wells Fargo Capital Financial continues to have the terms described in Rockford’s annual report for the year ended December 31, 2011. Under the agreement, pricing options based on LIBOR rates are available to Rockford. The interest rate was approximately 4.5% at June 30, 2012. As of June 30, 2012, Rockford was in compliance with all applicable covenants. Rockford carried no balance on the facility at June 30, 2012, and availability under the credit facility at June 30, 2012 was approximately \$10.0 million.

Rockford anticipates, based on its operating plans and cash flow forecast, that cash flow from operations for 2012 and 2013, and available borrowings under its credit facility, will be adequate to meet Rockford’s requirements for current capital expenditures, working capital, interest payments and stock repurchases for the next twelve months.

Offer to Repurchase Shares in Dutch Auction

Rockford also today announced the commencement of a modified "Dutch Auction" offer (the "Offer") to repurchase shares of its common stock. Rockford intends to spend up to \$8.4 million to repurchase up to 1,826,087 shares of common stock, or up to approximately 24.3% of its outstanding shares, at a price per share not greater than \$5.60 nor less than \$4.60. The Offer is scheduled to expire at 5:00 p.m., Eastern Standard Time, on September 14, 2012, unless extended. Rockford will finance the repurchase with available cash and through borrowings under its Wells Fargo credit facility. Wells Fargo has consented to the repurchase, which would otherwise be prohibited by the credit facility.

The modified "Dutch Auction" offer process will allow shareholders to indicate how many of their shares and at what price within the \$4.60 to \$5.60 range the shareholders wish to tender. The prices that may be specified increase in increments of \$0.25 from \$4.60 up to \$5.60 per share, the highest price that may be specified. On August 10, 2012, the last full trading day prior to the commencement of the Offer, the last sale price for Rockford's common stock as reported on the OTC Pink Sheets was \$4.60 per share.

Based on the number of shares tendered and the prices specified by the tendering shareholders, Rockford will determine the lowest price per share within the range that will enable it to purchase a maximum of \$8.4 million worth of shares (up to 1,826,087 shares or a lesser amount depending on the number of shares properly tendered and the price at which shares are tendered). All shares accepted in the Offer will be purchased at the same price. Rockford will not purchase shares below a price stipulated by a shareholder, and in some cases, may purchase shares at prices above a shareholder's stipulated price. Tenders by holders of 100 or fewer shares of common stock of all of the shares owned by them ("Small Lot Tenders") will be purchased on a priority basis. Specific instructions and a complete explanation of the terms and conditions of the Offer will be in the offer to purchase and related materials. These materials are being sent to shareholders of record promptly.

Rockford's largest shareholder group, affiliated with Rockford's directors Timothy and Nicholas Bartol and controlling a total of approximately 2.9 million shares, has indicated that the group intends to tender up to all of their shares in the Offer at the \$5.60 per share maximum price. Because of their tender, Rockford anticipates that it will repurchase 1.5 million shares in the Offer, as this is the number of shares \$8.4 million will purchase at the Bartol tender price of \$5.60 per share. Rockford directors Jerry Goldress and John Lloyd, who are retiring from the board as noted below, have also indicated that they intend to tender their shares in the Offer. Rockford's other directors and officers have indicated that they do not intend to tender their shares in the Offer.

In addition, the Bartol group and Rockford's third largest shareholder, director Ralph Godfrey, have agreed to sell additional shares to our second largest shareholder, a group affiliated with Rockford director Peter Kamin. Together the Bartols and Mr. Godfrey will sell approximately 2.0 million shares combined in the auction and to the Kamin group. As a result of the transactions the Bartol group's share ownership will be reduced to approximately 1.3 million shares and Mr. Godfrey's share ownership will be reduced to approximately 700,000 shares. After the transactions, the Kamin group will become our largest shareholder, the Bartol group will become our second largest shareholder, and Mr. Godfrey will remain our third largest shareholder.

At the completion of the purchase transactions, the Kamin Shareholders, Bartol Shareholders and Mr. Godfrey have agreed to restructure our Board of Directors. After the restructuring Mr. Kamin will nominate two of our directors, the Bartol Shareholders will nominate 1 director, and Mr. Godfrey will nominate one director. Our CEO, Mr. Jackson, will also continue to serve as a director. As a result our board of directors will be reduced to 5 directors including Mr. Kamin, Mr. Kamin's second nominee, Mr. Tim Bartol, Mr. Godfrey, and Mr. Jackson. Also as a result of this agreement, Mr. Nick Bartol, Mr. Goldress, and Mr. Lloyd have agreed to retire from our board of directors. Because the Kamin Shareholders, the Bartol Shareholders, and Mr. Godfrey will together control approximately 80% of our shares after the planned transactions, we anticipate that their vote will result in the election of their nominees as directors for so long as they continue to control their respective shares.

The Offer will be subject to various terms and conditions as described in the offer

to purchase and related materials that will be sent to shareholders. Additional copies of the offer materials will also be available from the Information Agent, Georgeson Inc. Rockford may extend, amend or terminate the Offer as set forth in the offer to purchase.

This press release is for informational purposes only and is not an offer to purchase or the solicitation of an offer to sell any shares of Rockford's common stock. The solicitation of offers to purchase Rockford's common stock and specific instructions with respect thereto will only be made only pursuant to the offer to purchase and related materials. Stockholders should read those materials carefully because they contain important information, including the various terms and conditions of the Offer. Stockholders will be able to obtain copies of the offer to purchase and related materials by calling the information agent, Georgeson Inc., toll free at (800) 903-2897 or by writing the information agent at 199 Water Street, 26th Floor, New York, NY 10038.

None of Rockford, its Board of Directors, its management, or the information agent is making any recommendations to stockholders as to whether to tender or refrain from tendering their shares. Stockholders are urged to evaluate carefully all information regarding the Offer and to consult their own investment and tax advisors before making a decision as to whether to tender their shares and, if so, how many shares to tender and at what price or prices to tender them.

About Rockford Corporation

Setting the standard for excellence in the mobile audio industry, the Rockford Corporation markets and distributes high-performance audio systems for the mobile audio aftermarket and OEM market. Headquartered in Tempe, Arizona, Rockford Corporation distributes its products under six brands: Rockford Fosgate®, Rockford Acoustic Design®, Lightning Audio®, Brax™, Helix™ and Renegade®. For more information, please visit: www.rockfordfosgate.com, www.rockfordacousticdesign.com, www.lightningaudio.com, www.braxhifi.com, www.helixhifi.com and www.renegadecaraudio.com

Forward-looking Statement Disclosure

We make forward-looking statements in this press release including but not limited to statements about our results of operations. These statements may be identified by the use of forward-looking terminology such as “may,” “will,” “believe,” “expect,” “anticipate,” “estimate,” “continue,” or other similar words.

Forward-looking statements are subject to many risks and uncertainties. Rockford cautions you not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Actual results may differ materially from those anticipated in our forward-looking statements. Rockford disclaims any obligation or undertaking to update these forward-looking statements to reflect changes in our expectations or changes in events, conditions, or circumstances on which our expectations are based.

Upon completion of the proposed Dutch Auction Offer, Rockford will decrease its cash position, and increase the borrowings on its credit facility, by approximately \$8.4 million compared to its cash and borrowing position without the Offer. Although Rockford’s financial projections anticipate that it will be able to repay the borrowings out of cash flow from operations over a reasonable time, there can be no assurance that it will achieve its projected results. The increase in borrowings resulting from the completion of the Offer will substantially increase Rockford’s leverage, carrying with it the increased risk resulting from such leverage.

When considering our forward-looking statements, you should keep in mind the risk factors discussed in our press releases and earnings reports, as well as the risk factors generally applicable to a small business such as ours. We particularly call your attention to the risk factors and other cautionary statements identified on our investor relations web-site, <http://www.rockfordcorp.com/RiskFactors> titled “Risk Factors That May Affect Rockford’s Operating Results, Business Prospects and Stock Price” (the “Risk Disclosure”). We updated the Risk Disclosure as of March 31, 2011. Our business is subject to the risk factors noted in the Risk Disclosure, other risk factors identified above and other risk factors we have not anticipated or discussed. These risk factors could cause our actual results to differ significantly from those anticipated in our forward-looking statements.

Rockford Corporation
Condensed Consolidated Statements of Operations (unaudited)
For the Three and Six Months Ended June 30, 2012 and 2011
(\$000s omitted except per share amounts)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net sales	\$ 19,048	\$ 17,000	\$ 39,584	\$ 33,570
Cost of goods sold	<u>11,991</u>	<u>10,482</u>	<u>24,275</u>	<u>20,477</u>
Gross profit	7,057	6,518	15,309	13,093
Operating expenses:				
Sales and marketing	2,661	2,530	5,511	5,340
General and administrative	1,786	1,745	3,744	3,699
Research and development	<u>456</u>	<u>455</u>	<u>926</u>	<u>958</u>
Total operating expenses	<u>4,903</u>	<u>4,730</u>	<u>10,181</u>	<u>9,997</u>
Operating income	2,154	1,788	5,128	3,096
Interest and other expense, net	<u>10</u>	<u>34</u>	<u>14</u>	<u>42</u>
Income before income taxes	2,144	1,754	5,114	3,054
Income tax benefit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income	<u>\$ 2,144</u>	<u>\$ 1,754</u>	<u>\$ 5,114</u>	<u>\$ 3,054</u>
Net income per common share:				
Basic	<u>\$ 0.29</u>	<u>\$ 0.21</u>	<u>\$ 0.68</u>	<u>\$ 0.36</u>
Diluted	<u>\$ 0.25</u>	<u>\$ 0.19</u>	<u>\$ 0.60</u>	<u>\$ 0.32</u>
Weighted average shares:				
Basic	<u>7,518</u>	<u>8,405</u>	<u>7,571</u>	<u>8,565</u>
Diluted	<u>8,562</u>	<u>9,300</u>	<u>8,594</u>	<u>9,408</u>

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Rockford Corporation
Condensed Consolidated Balance Sheets (unaudited)
At June 30, 2012 and December 31, 2011
(In thousands)

	June 30, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash	\$ 755	\$ 1,762
Accounts receivable, net	13,692	9,659
Inventories	8,896	8,031
Prepaid expenses and other current assets	<u>721</u>	<u>473</u>
Total current assets	24,064	19,925
Property and equipment, net	1,472	1,370
Other assets	<u>188</u>	<u>220</u>
Total assets	<u>\$ 25,724</u>	<u>\$ 21,515</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 6,813	\$ 6,800
Accrued salaries and incentives	1,313	921
Accrued warranty and returns	577	450
Accrued customer programs	917	644
Other accrued liabilities	1,534	1,549
Asset based credit facility	<u>—</u>	<u>—</u>
Total current liabilities	11,154	10,364
Other long-term liabilities	<u>14</u>	<u>26</u>
Total liabilities	11,168	10,390
Shareholders' equity:		
Common stock	96	96
Additional paid-in-capital	39,112	39,038
Retained deficit	(19,646)	(24,760)
Treasury stock	<u>(5,006)</u>	<u>(3,249)</u>
Total shareholders' equity	<u>14,556</u>	<u>11,125</u>
Total liabilities and shareholders' equity	<u>\$ 25,724</u>	<u>\$ 21,515</u>