

To Shareholders of Universal Mfg. Co.

**SIX MONTH OPERATING REPORTS
FOR SECOND QUARTER ENDED JANUARY 31, 2010**
(Not audited by Independent Public Accountants)

BALANCE SHEET

	July 31, 2009	January 31, 2010
Assets		
Current Assets		
Cash & Equivalents	\$2,370,393	\$2,515,572
Accounts Receivable	2,143,800	2,220,381
Inventory	3,649,376	3,685,905
Other Current Assets	<u>16,032</u>	<u>26,224</u>
Total Current Assets	\$8,179,601	\$8,448,082
Property, Plant, & Equipment	<u>1,200,829</u>	<u>1,191,907</u>
Total Assets	\$9,380,430	\$9,639,989
Liabilities & Stockholder's Equity		
Current Liabilities		
Accounts Payable	581,971	382,329
Accrued Taxes	(154,066)	(3,459)
Other Accruals	<u>401,071</u>	<u>498,349</u>
Total Current Liabilities	\$828,976	\$877,219
Stockholder's Equity		
Common Stock Outstanding	\$816,000	\$816,000
Additional Paid-in Capital	17,862	17,862
Retained Earnings	<u>7,717,592</u>	<u>7,928,908</u>
Total Stockholder's Equity	\$8,551,454	\$8,762,770
Total Liabilities & Stockholder's Equity	\$9,380,430	\$9,639,989

INCOME STATEMENT

	Second Quarter Ended January 31		Six Months Ended January 31	
	2010	2009	2010	2009
Sales	\$2,675,860	\$2,326,113	\$5,052,494	4,836,971
Income Before Income Taxes	262,020	18,012	352,192	108,679
Income Taxes (Est.)	104,808	7,426	140,877	44,653
Net Income	157,212	10,586	211,315	64,027
Earnings Per Share	.19	.01	.26	.08

The above figures compare the operating results of the Second Quarter and of the first six months of fiscal year 2009-2010 with the same periods a year ago. Second Quarter sales were 15% higher this fiscal year compared to a year ago, resulting in a sales increase for the first six months of 4.5%.

Sales of remanufactured transfer cases and transfer case engagement motors have been particularly strong during the Second Quarter, due to extreme weather conditions in many parts of the country. Sales of new fuel pump assemblies and remanufactured brake calipers also increased during the period, due to new customers for those products.

Earnings improved the Second Quarter of this fiscal year due to increased sales volume, improved profit margins, and reduced warranty and freight expense.

The Board of Directors of Universal Mfg. Co., continuing a conservative approach and maintaining options for other opportunities, has chosen not to declare a dividend for the quarter ended January 31, 2010.

Donald D. Heupel
President

Forward Looking Statements:

Statements herein that are not historical facts, including statements about the Company's confidence and strategies and the Company's expectations about future market opportunities, market demand or acceptance of the Company's products are forward looking statements that involve risks and uncertainties. These uncertainties include, without limitation, the effect of general economic and market conditions, customer requirement for our products, the continuing strength of the automotive industry, competitor pricing, maintenance of our current momentum, weather conditions and other factors.