

To Shareholders of Universal Mfg. Co.

**CONSOLIDATED NINE MONTH OPERATING REPORTS
FOR THIRD QUARTER ENDED APRIL 30 , 2011**
(Not audited by Independent Public Accountants)

BALANCE SHEET

	July 31, 2010	April 30, 2011
Assets		
Current Assets		
Cash & Equivalents	\$2,876,797	(\$199,510)
Accounts Receivable	1,920,735	2,393,645
Inventory	4,022,078	4,573,198
Other Current Assets	<u>18,964</u>	<u>117,845</u>
Total Current Assets	\$8,838,574	\$6,885,178
Other Assets		
Property, Plant, & Equipment	1,173,063	2,733,190
Goodwill		4,898,600
Non Compete Covenant		<u>97,222</u>
Total Other Assets	<u>\$1,173,063</u>	<u>\$7,729,012</u>
Total Assets	\$10,011,637	\$14,614,190
Liabilities & Stockholders Equity		
Current Liabilities		
Note Payable – Line of credit		398,706
Billings in Excess		(131,595)
Accounts Payable	382,923	563,492
Accrued Taxes	95,161	(109,309)
Other Accruals	<u>419,281</u>	<u>634,509</u>
Total Current Liabilities	\$897,365	\$1,355,803
Long Term Liabilities		
Notes Payable		\$3,661,309
Stockholder's Equity		
Common Stock Outstanding	\$816,000	\$860,766
Additional Paid-in Capital	17,862	473,096
Retained Earnings	<u>8,280,410</u>	<u>8,263,216</u>
Total Stockholder's Equity	\$9,114,272	\$9,597,078
Total Liabilities & Stockholder's Equity	\$10,011,637	\$14,614,190

CONSOLIDATED INCOME STATEMENT

	Quarter Ended		Nine	
	April 30		Months Ended	
	2011	2010	2011	2010
Sales	\$4,064,814	\$2,868,036	10,608,096	7,920,530
Income Before Income Taxes	(58,295)	320,662	71,133	672,855
Income Taxes (Est.)	0	128,265	88,327	269,142
Net Income	(58,295)	192,397	(17,194)	403,713
Earnings Per Share	(.07)	.24	(.02)	.49

The above are consolidated operating results of Universal Mfg. Co., including its ReTech operating division (“ReTech”) and operating subsidiary Man Lift Mfg. Co. (“Man Lift”) (collectively, the “Company”) for the third quarter, February 2011 through April 2011 (the “Quarter”) and the first nine months of our current fiscal year (“YTD”) as compared to the same periods for the prior year. Income performance of the Company is disappointing. Sales for the Quarter increased 41.7% compared to the same quarter of last year and 33.9% YTD over prior YTD. Increases are due in large part to the addition of the Man Lift operation as of December 1, 2010. The ReTech operation continues to be materially and negatively impacted by limited availability of raw parts resulting in increased material costs and lower gross margins. Man Lift continues to add volume and profitability to our operations.

As reported previously, Net Income and Earnings Per Share have been materially impacted by one-time costs associated with the acquisition of the Man Lift operations, including additional one time charges expensed in the current Quarter. At the operating level, both ReTech and Man Lift remain profitable YTD.

Donald L. Dunn
 President
 Universal Mfg. Co.

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 industries in which we operate, competitor pricing, maintenance of our current momentum, weather conditions and other factors.