

To Shareholders of Universal Mfg. Co.

**CONSOLIDATED NINE MONTH OPERATING REPORTS
FOR THIRD QUARTER ENDED APRIL 30, 2013**

(Not audited by Independent Public Accountants)

BALANCE SHEET

	July 31, 2012	April 30, 2013
Assets		
Current Assets		
Cash & Equivalents	\$313,014	\$902,248
Accounts Receivable	\$2,244,835	\$3,543,444
Inventory	\$3,565,151	\$3,813,049
Costs in Excess	\$630,229	\$837,232
Other Current Assets	<u>\$82,867</u>	<u>\$113,195</u>
Total Current Assets	\$6,836,096	\$9,209,168
Other Assets		
Property, Plant, & Equipment	\$2,372,522	\$2,116,073
Goodwill	\$4,898,600	\$4,898,600
Non Compete Covenant	<u>\$88,889</u>	<u>\$48,550</u>
Total Other Assets	\$7,360,011	\$7,063,223
Total Assets	\$14,196,107	\$ 16,272,391
Liabilities & Stockholders Equity		
Current Liabilities		
Notes Payable – Line of Credit	\$0	\$0
Current Portion of LTD	\$267,066	\$267,066
Accounts Payable	\$712,388	\$1,192,279
Accrued Taxes & Comp	\$50,867	\$985,946
Billings in Excess of cost		\$103,103
Other Accruals	<u>\$420,209</u>	<u>\$376,569</u>
Total Current Liabilities	\$1,450,530	\$2,924,963
Long Term Liabilities		
Notes Payable	\$3,320,639	\$3,120,647
Stockholder's Equity		
Common Stock Outstanding	\$860,766	\$851,633
Additional Paid-in Capital	\$473,096	\$440,103
Retained Earnings	<u>\$8,091,076</u>	<u>\$8,935,045</u>
Total Stockholder's Equity	\$9,424,938	\$10,226,781
Total Liabilities & Stockholder's Equity	\$14,196,107	\$16,272,391

CONSOLIDATED INCOME STATEMENT

	Quarter Ended April 30		9 Months Ended April 30	
	2013	2012	2013	2012
Sales	\$6,766,297	\$3,519,908	\$19,228,201	\$11,892,507
Income Before Income Taxes	\$754,580	(\$347,156)	\$1,298,414	(\$258,476)
Income Taxes (Est.)	\$264,103	(\$121,505)	\$454,445	(\$90,467)
Net Income	\$490,477	(\$225,652)	\$843,969	(\$168,009)
Earnings Per Share	.58	(.26)	.99	(.20)

The above are consolidated operating results of Universal Mfg. Co., including its ReTech operating division (“ReTech”) and its operating subsidiary Man Lift Mfg. Co. (“Man Lift”) (collectively, the “Company”) for the 3rd Quarter ending April 30, 2013 (the “Quarter”) and the first nine months of the current fiscal year (“YTD”) as compared to the same periods for the prior year (“PY”). The Quarter saw a continuation of significant Sales growth (increase of 92% over the same Quarter PY and 62% YTD over PYTD). Net Income for the Quarter and YTD were both records for the Company and both significant improvements over PY.

ReTech sales for the Quarter were \$2,824,000, \$43,000 under Budget but \$473,000 over PY, and \$8,271,000 YTD, \$181,000 under Budget. Operating Income at ReTech was \$125,000 for the Quarter, \$1,000 and \$368,000 under Budget YTD respectively, \$35,000 over Budget YTD. Transfer Case sales were over Budget 13.6% for the Quarter and 12.8% YTD. AFS Fuel Pump sales exceeded Budget 28.3% for the Quarter and 16.6% YTD. Remanufactured Fuel Pumps and Brake Calipers sales continue to be significantly below Budget for both the Quarter and YTD and significantly down from PY. Quality margins in Transfer Cases and AFS Fuel Pumps continue to drive the operation in a positive manner. Man Lift sales for the Quarter increased 71.4% over Budget, 237% over same Quarter PY and 59% over Budget YTD. Sales of nearly \$11MM YTD exceeds PY sales for the entire year by 52%. Man Lift had Operating Income of \$812,000 for the Quarter and \$1,357,000 YTD exceeding Budget by 200% for the Quarter and 62.7% YTD. As anticipated, margins improved with the close out of several large jobs in the Quarter. Backlog dropped to just over \$2.1MM at the end of the Quarter.

Both operations continue to invest in further development of our sales teams. At ReTech, our focus continues on strengthening and deepening sales efforts in drive train products, including new differential products. Results are slower than plan, however, progress continues. Man Lift introduced a new product, SHU, an extension and safety product for the construction industry in the Quarter. The Quarter saw continued strength in core explosion proof products. Effort continues in broadening repeat customer base at Man Lift.

Corporate expenses are marginally over budget reflecting a change in the allocation of expenses for corporate expenses. Consolidated Balance Sheet was impacted by the increase in volume and the corresponding increase in accounts receivable and inventory. Cash remained strong with no utilization of our Operating Line as of the end of the Quarter. Cash flow YTD stands at a positive \$589K. We continue to focus the business in growing products and operations in areas where we see the ability to grow sales while maintaining margins. We continue in our efforts to attract and retain quality people in all areas of our organization that have had and will continue to have a positive impact on both volume and margins.

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.