

To Shareholders of Universal Mfg. Co.

**CONSOLIDATED NINE MONTH OPERATING REPORTS  
FOR THIRD QUARTER ENDED APRIL 30, 2012**  
(Not audited by Independent Public Accountants)

**BALANCE SHEET**

	July 31, 2011	April. 30, 2012
<b>Assets</b>		
Current Assets		
Cash & Equivalents	\$(491,871)	\$310,641
Accounts Receivable	\$2,236,671	\$2,493,562
Inventory	\$3,767,036	\$3,610,477
Other Current Assets	<u>\$69,521</u>	<u>\$90,434</u>
Total Current Assets	\$5,581,357	\$6,505,114
Other Assets		
Property, Plant, & Equipment	\$2,658,184	\$2,412,097
Goodwill	\$4,898,600	\$4,898,600
Non Compete Covenant	<u>\$95,556</u>	<u>\$90,556</u>
Total Other Assets	\$7,652,340	\$7,401,253
<b>Total Assets</b>	<b>\$13,233,697</b>	<b>\$ 13,906,367</b>
<b>Liabilities &amp; Stockholders Equity</b>		
Current Liabilities		
Notes Payable – Line of Credit	\$319,583	\$0
Current Portion of LTD	\$260,011	\$260,011
Billings in Excess	(\$1,746,358)	(\$262,601)
Accounts Payable	\$747,101	\$505,689
Accrued Taxes	\$26,971	\$131,668
Other Accruals	<u>\$382,906</u>	<u>\$387,688</u>
Total Current Liabilities	\$(9,786)	\$1,022,455
Long Term Liabilities		
Notes Payable	\$3,584,765	\$3,393,204
Stockholder's Equity		
Common Stock Outstanding	\$860,766	\$860,766
Additional Paid-in Capital	\$473,096	\$473,096
Retained Earnings	<u>\$8,324,856</u>	<u>\$8,156,846</u>
Total Stockholder's Equity	\$9,658,718	\$9,490,708
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$13,233,697</b>	<b>\$13,906,367</b>

## CONSOLIDATED INCOME STATEMENT

	Quarter Ended April 30		9 Months Ended April 30	
	2012	2011	2012	2011
Sales	\$3,519,908	\$4,064,814	\$11,892,507	\$10,607,104
Income Before Income Taxes	(\$347,156)	(\$58295)	(\$258,476)	\$71,133
Income Taxes (Est.)	(\$121,505)		(\$90,467)	\$88,327
Net Income	(\$225,652)	(\$58295)	(\$168,009)	(\$17,194)
Earnings Per Share	(.26)	(.07)	(.20)	(.02)

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 3<sup>rd</sup> Quarter ending April 30, 2012 (the "Quarter") and the first nine months of the current fiscal year ("YTD") as compared to the same periods for the prior year. The Quarter was disappointing in both Sales (down 13.4% over the same period prior year and an increase of 12.1% YTD) and net income, a loss of \$225,652 for the Quarter and \$168,009 YTD.

ReTech sales were down 16.4% for the Quarter as it continues to feel the impact of a significantly mild winter. YTD sales at ReTech were off 7.4%. At Operating Income, ReTech had a small loss for the Quarter compared to a small profit same period prior year and a gain of 1.92% YTD compared to a gain of 3.98% for the same period for the prior year. Weather driven decline in sales of transfer cases was the largest contributing factor to results; fuel pump sales were also weak with continuing strength in the brake caliper market. Man Lift sales for the Quarter declined 6.6% over the same Quarter prior year and it operated at a loss of approximately \$170,000 for the Quarter. YTD comparisons remain inapplicable. Operations were materially impacted by a large job that was shipped in the Quarter at a material loss.

ReTech has made positive strides in engaging new customers; however, it has lost significant sales due to consolidation in the industry. We continue to explore potential new markets for our products and continue to investigate extensions of related product offerings. Man Lift continues to evolve and has made great strides in focusing on product mix. Significant new sales have been booked in the Quarter. It also recently announced the hiring of Joe Banks as VP of Operations & Manufacturing and Tim Henrich as VP of Sales & Marketing as key additions to its management team

YTD Corporate expenses are 29.4% under Budget and 41.6% under same period prior year. Cash flow remains strong for the Company; debt has been serviced per agreements and Operations have generated approximately \$717,000 of cash YTD.

### *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.*