

CENTER VALLEY, Pa., Sept. 16, 2013 /PRNewswire/ -- [TechPrecision Corporation](#) (OTC Bulletin Board:

[TPCS](#)

) ("TechPrecision" or "the Company"), an industry leading global manufacturer of [precision, large-scale fabricated and machined metal components and tested systems](#) with customers in the [alternative energy](#)

,
[medical](#)

,
[nuclear](#)

,
[defense](#)

,
[aerospace](#)

and other commercial industries, today reported financial results for the first quarter of fiscal year 2014, the period ended June 30, 2013

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Financial Summary

- First quarter of fiscal 2014 revenues were \$7.1 million, unchanged from revenue for the first quarter last year
- Selling, general and administrative expenses decreased by approximately 11%, or \$0.2 million, to \$1.8 million from \$2.0 million in the same quarter last year. Sequentially, SG&A expenses decreased by 9% from \$1.9 million for the fourth quarter ended March 31, 2013
- Net loss for the first quarter of fiscal 2014 was \$(1.4) million compared to a net loss of \$(0.7) million in the year-ago period; sequentially, the net loss for the quarter increased from \$(1.1) million as of March 31, 2013
- Net loss during the first quarter of fiscal 2014 included \$0.8 million of contract losses compared with \$0.1 million of contract losses incurred during the first quarter a year ago

"We continue to focus our immediate efforts on reducing our expenses to align our current cost structure with current and expected revenue levels toward the goal of returning to profitability in fiscal 2014," commented Leonard Anthony, Chairman of the Board of Directors and Principal Executive Officer. "We are on track with our goal to reduce \$2.0 million to \$2.5 million in annualized expenses on a run-rate basis and are encouraged that our backlog continues to increase, expanding from \$16.4 million at March 31 of 2013 to \$19.4 million as of June 30, 2013. In addition, we continue to seek to replace or otherwise refinance our debt to align more closely with the business model that we are executing. I am confident that our near-term

initiatives for stabilizing the business and the significant market opportunities we see going forward will yield the long-term results for growth and profitability that will create sustainable value for our shareholders."

First Fiscal Quarter 2014 Results: Three Months Ended June 30

Net sales were \$7.1 million comparable with \$7.1 million in the year-ago quarter. Backlog at June 30, 2013 was \$19.4 million compared to \$16.4 million at March 31, 2013 and \$27.2 million at June 30, 2012. Gross profit was approximately \$0.4 million, or 5.9% gross profit margin, compared to gross profit of \$1.1 million, or 15.5% gross profit margin, in the year-ago quarter. Gross margin in any reporting period is impacted by the mix of services, on projects completed and in process within that period. The first quarter of fiscal 2014 and fiscal 2013 included a significant volume of custom first article and prototyping projects, which generally carry lower margins. Contract losses when incurred also lower gross margins. During the first quarter of fiscal 2014 \$0.8 million of contract losses were recorded compared with contract losses of \$0.1 million recorded during the same quarter one year ago. The majority of the contract loss provision recorded during June 30, 2013 relates to projects initiated during the current quarter that are expected to be completed and shipped during the second and third quarters of fiscal 2014. Selling, general and administrative expenses for the three months ended June 30, 2013 decreased 11%, or \$0.2 million, to \$1.8 million compared with

\$2.0 million

for the same period in fiscal 2013. The decline is due to reductions for compensation and benefits, and outside services and advisory fees in the first fiscal quarter of 2014. The net loss was

(\$1.4) million

for the first quarter compared to a net loss of

(\$0.7) million

in the prior year first quarter.

Balance Sheet Summary

At June 30, 2013, TechPrecision had working capital of \$2.1 million as compared with working capital of \$3.1 million at Ma

rch 31, 2013

. As of

June 30, 2013

, the Company had

\$2.4 million

in cash and cash equivalents compared to

\$3.1 million

at

March 31, 2013

.

Mr. Anthony stated, "We remain in discussions with our lender, as well as with alternative financial institutions, regarding refinancing our line of credit and debt facilities. We continue to believe that our collateral base and past debt reduction efforts, position us to be successful in securing new debt financing."

Teleconference Information

The Company will hold a conference call at 4:30 p.m. Eastern (U.S.) time on September 16, 2013 . To

participate in the live conference call, please dial 1-877-941-2068 five to 10 minutes prior to the scheduled conference call time. International callers should dial 1-480-629-9712. When prompted by the operator, mention Conference Passcode 4639871.

A replay will be available for one week starting on Monday, September 16, 2013, at 5 p.m. Eastern Time

. To access the replay, dial 1-877-870-5176 or 1-858-384-5517. When prompted, enter Conference Passcode 4639871.

The call will also be available live by webcast at TechPrecision Corporation's website, www.techprecision.com

, and will also be available over the Internet and accessible at <http://public.viavid.com/index.php?id=106043>

About TechPrecision Corporation TechPrecision Corporation, through its wholly owned subsidiaries, Ranor, Inc., and Wuxi Critical Mechanical Components Co., Ltd., globally manufactures large-scale, metal fabricated and machined precision components and equipment. These products are used in a variety of markets including: alternative energy (Solar and Wind), medical, nuclear, defense, industrial, and aerospace to name a few. TechPrecision's goal is to be an end-to-end global service provider to its customers by furnishing customized and integrated "turn-key" solutions for completed products requiring custom fabrication and machining, assembly, inspection and testing. To learn more about the Company, please visit the corporate website at <http://www.techprecision.com> . Information on the Company's website or any other website does not constitute a part of this press release.

Safe Harbor Statement *This release contains certain "forward-looking statements" relating to the business of the Company and its subsidiary companies. These forward looking statements are often identified by the use of forward-looking terminology such as "believes," "expects" or similar expressions. Such forward looking statements involve known and unknown risks and uncertainties that may cause actual results to be materially different from those described herein as anticipated, believed, estimated or expected. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including recurring operating losses and the availability of appropriate financing facilities impacting our ability to continue as a going concern, to change the composition of our revenues and effectively reduce operating expenses, the Company's ability to generate business from long-term contracts rather than individual purchase orders, its dependence upon a limited number of customers, its ability to successfully bid on projects, and other risks discussed in the company's periodic reports that are filed with the Securities and Exchange Commission and available on its website (*

www.sec.gov

). All forward-looking statements attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by these factors other than as required under the securities laws. The Company does not assume a duty to update these forward-looking statements.

-- Tables Follow --

TECHPRECISION CORPORATION

CONSOLIDATED BALANCE SHEETS

June 30, 2013

March 31, 2013

ASSETS

Current assets:

Cash and cash equivalents

\$

2,444,769

\$

3,075,376

Accounts receivable, less allowance for doubtful accounts of \$25,010 in 2013 and 2012

3,813,382

4,330,637

Costs incurred on uncompleted contracts, in excess of progress billings

3,250,703

4,298,293

Inventories- raw materials

366,866

354,516

Income taxes receivable

374,030

374,030

Current deferred taxes

255,765

255,765

Other current assets

1,436,395

1,578,484

TechPrecision Corporation Reports First Fiscal Quarter 2014 Financial Results

Written by Australian Business

Total current assets

11,941,910

14,267,101

Property, plant and equipment, net

7,108,458

7,300,248

Total assets

\$

19,050,368

\$

21,567,349

LIABILITIES AND STOCKHOLDERS' EQUITY:

Current liabilities:

Accounts payable

\$

966,302

\$

2,537,060

Accrued expenses

2,436,875

1,874,924

Accrued taxes payable

232,624

232,624

Deferred revenues

103,521

253,813

Short-term debt

500,000

500,000

Current maturity of long-term debt

5,612,521

5,784,479

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Total current liabilities

9,851,843

11,182,900

Long-term debt, including capital leases

30,448

31,108

Noncurrent deferred taxes

255,765

255,765

Stockholders' Equity:

Preferred stock- par value of \$100 per share, 10,520,000 shares authorized, 10,520,000 shares issued and outstanding, par value of \$0.52 per share, \$5,470,560

1,310,206

1,310,206

Common stock - par value \$1.00 per share, 19,256,370 shares authorized; 1,310,206 shares outstanding at March 30, 2013 and March 31, 2014

1,996

1,996

Additional paid in capital

5,202,644

5,076,552

Accumulated other comprehensive loss

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(108,869)

(221,418)

Retained earnings

2,506,335

3,930,240

Total stockholders' equity

8,912,312

10,097,576

Total liabilities and stockholders' equity

\$

19,050,368

\$

21,567,349

TECHPRECISION CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Three Months ended June 30,

2013

2012

Net sales

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\$

7,096,692

\$

7,145,739

Cost of sales

6,676,449

6,040,301

Gross profit

420,243

1,105,438

Selling, general and administrative

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1,770,082

2,000,412

Loss from operations

(1,349,839)

(894,974)

Other expense

(7,552)

(46)

Interest expense

(70,127)

(80,091)

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Interest income

3,613

1,693

Total other expense, net

(74,066)

(78,444)

Loss before income taxes

(1,423,905)

(973,418)

Income tax benefit

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(267,257)

Net loss

\$

(1,423,905)

\$

(706,161)

Other comprehensive loss, before tax:

Change in unrealized loss on cash flow hedges

(110,337)

(70,591)

Foreign currency translation adjustments

(2,212)

(12,103)

Other comprehensive loss, before tax

(112,549)

(82,694)

Net tax benefit of other comprehensive loss items

--

(27,845)

Comprehensive loss

\$

(1,536,454)

\$

(761,010)

Net loss per share (basic)

\$

(0.07)

\$

(0.04)

Net loss per share (diluted)

\$

(0.07)

\$

(0.04)

Weighted average number of shares outstanding (basic)

19,956,871

18,394,577

Weighted average number of shares outstanding (diluted)

19,956,871

18,394,577

TECHPRECISION CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30,

2013

2012

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss

\$

(1,423,905)

\$

(706,161)

Adjustments to reconcile net loss to net cash (used in) provided by operating activities:

Depreciation and amortization

253,833

206,052

Stock based compensation expense

126,092

141,359

Deferred income taxes

--

(267,257)

Provision for contract losses

687,088

87,958

Changes in operating assets and liabilities:

Accounts receivable

521,202

(125,051)

Costs incurred on uncompleted contracts, in excess of progress billings

1,047,590

123,425

Inventories – raw materials

(10,175)

(85,467)

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Other current assets

138,184

(721,456)

Taxes receivable

--

551,873

Other noncurrent assets

--

53,276

Accounts payable

(1,580,512)

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666,635

Accrued expenses

(13,103)

(701,484)

Deferred revenues

(151,355)

2,712,567

Net cash (used in) provided by operating activities

(405,061)

1,936,269

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property, plant and equipment

(56,424)

(20,024)

Net cash used in investing activities

(56,424)

(20,024)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of debt

(172,618)

(342,595)

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Net cash used in financing activities

(172,618)

(342,595)

Effect of exchange rate on cash and cash equivalents

3,496

(17,062)

Net (decrease) increase in cash and cash equivalents

(630,607)

1,556,588

Cash and cash equivalents, beginning of period

3,075,376

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2,823,485

Cash and cash equivalents, end of period

\$

2,444,769

\$

4,380,073

SOURCE TechPrecision Corporation

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