

Serving the Large Scale Precision Machine Fabrication Assembly Needs of their Tier-1 Customers, TechPrecision Corp. is on Track for Double-Digit Growth Year-Over-Year

**Industrial Manufacturing
Large-scale Machining
and Fabrication
(TPCS-OTCBB)**

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**James S. Molinaro
Chief Executive Officer**

BIO:

James S. Molinaro, CEO

Mr. Molinaro has more than 26 years of global experience in the solar and semiconductor production equipment industries. During the course of his career, Mr. Molinaro has accepted positions of increasing responsibility, overseeing global service systems, worldwide sales leadership, and engineering disciplines for several companies.

Prior to joining TechPrecision, Mr. Molinaro was President and CEO of

Akrion Systems, an organization that manufactured equipment for semiconductor, defense, commercial, and solar companies. Here, his duties included profit and loss responsibility, oversight of fiscal management, and direction of merger and acquisition activity. Additional responsibilities included venture capital fundraising, global sales and marketing, executive team and employee development, strategic customer management, and strategic corporate vision creation. Mr. Molinaro was able to diversify the company's revenue streams and expand business opportunities by tapping into the lucrative solar energy, military application, and ink jet printer markets, increasing annual sales from approximately \$32 million to \$83 million over a four-year period.

Before being named President and CEO of Akrion, Mr. Molinaro served as Vice President of Sales, Service, and Marketing for Akrion, helping expand the company's global organization. Prior to this, Mr. Molinaro was Vice President of Sales and Marketing for Submicron Systems, having earlier served as the company's Vice President of Engineering. Mr. Molinaro graduated from Pennsylvania State University with a B.S. in Mechanical Engineering with concentration in Robotics.

Company Profile:

Founded in February 2006, TechPrecision Corporation is a holding company that is driven to provide businesses with the most well-engineered, cost-effective turnkey solutions to their large-scale component and equipment manufacturing challenges. By assembling experienced engineering, metal machining and fabrication companies that specialize in unique,

demanding global industries, TechPrecision provides clients with access to knowledge, resources, and technologies that span some of the most demanding manufacturing sectors.

Our subsidiary companies are experts, purposefully selected for their machining and fabrication capabilities; depth of experience in the Cleantech, Nuclear, medical, aerospace, and defense sectors; and long track-records for delivering large-scale, critical components that exceed their clients' demands for quality and precision. Our global subsidiaries understand the rigors of these industries. Leveraging cross-market insights and end-to-end, large-scale component fabrication capacity, they provide end-to-end manufacturing solutions to your component challenges.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Molinaro, what is the grand plan at TechPrecision?

Mr. Molinaro: The grand plan is this is a company that produces some amazing large scale precision machine and fabrication assemblies on a global basis. For years they have not seen its potential of what it is capable of growing to with its Tier-1 customers, now this vision is clear. The company only serves Tier-1s in the world from Westinghouse, BAE, General Dynamics and GT to General Electric. The grand plan is to continue to partner with these Tier-1 customers and continue to grow the company at a sizeable level. The company was typically floundering in the mid to high \$20 million level and we are on track for double-digit growth every year until I achieve my plan and get this

Company to a \$100 million level in the shortest time possible. We have every opportunity to get there.

CEO CFO: What about the applications and what is unique or special about what TechPrecision is offering?

Mr. Molinaro: When you have an idea, concept or a design for a product or technology, traditionally large scale, which means half the size of a house, we are the guys you call to figure out how to produce this on a scalable level with quality inserts that are second to none. My best example of what we do and how we do it is we produce the assembly for Mevion, which is the latest proton beam cancer treatment equipment. What happened is this customer and a group of scientists from MIT walked in our door and said we are going to revolutionize cancer treatment and there is going to be no more radiation sickness. We are going to cut the cost of this equipment from \$150 million to \$20 million and we would like you guys to figure it out. We said, "sure", and we did. Several years later the first production unit has been shipped to Siteman Cancer Treatment Center. This was a technology that was costing a hospital \$150 million and needed a building the size of a football stadium. It is now a \$20 million piece of equipment that sits in a relatively small room. So my

question to customers and shareholders is what is that worth to you? We are the guys that can figure that stuff out. Our customer should get 510k approval by June and it will literally revolutionize the way people will be treated for tumors or other cancer growths, without any side-effects of traditional radiation treatment. That is the type of stuff that we do. That also encompasses the world of nuclear, the world of defense and the world of alternative energy. We build the assemblies used in Virginia Class nuclear submarines, and those used in the Westinghouse nuclear reactor. We also built the assemblies that go into the latest solar panel PolySi production and large chamber assem-

blies that go into sapphire production for LED lighting. Again, we are the guys you come to and say, "I have this big thing that weighs 50 tons. We know how to design it, but we do not know to build it." That is what we do.

CEO CFO: Is it technology or the experience and expertise of your people; what is the combination that gets it done?

Mr. Molinaro: We are not the inventors of the core technology. We are the guys that figure out how to build the core technology and make it do what it is supposed to do. Therefore, it is really the manufacturing engineering and manufacturing process that is our forte.

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CEO CFO: What is the competitive landscape for TechPrecision?

Mr. Molinaro: We have very few competitors at our scale. Since 1980, we are one of only six N-stamped machining/fabrication companies that are left in the United States. We have operations in China, but speaking of United States landscape we are only six left in the country. Eighty percent of our competitors since 1980, in the N-stamped arena have gone out of business or their jobs have been moved overseas. There are very few of us left in the country that makes anything of the complexity and scale. This country has lost its ability to manufacture these large-scale prod-

ucts. We are one of the few companies continuing to grow in that realm in that we still make great things and employ really great people to make these great things.

CEO CFO: Do you find that potential customers are more in-tune with the US based concept or is it strictly what you produce?

Mr. Molinaro: We also have operations in China; we are a global supplier. Most of our customers are also global players. What they like about working with us is when they have projects that are for the US or European market, we can produce those at US factories. If they have projects that are in China or South Korea, Singapore, India, we can produce things for Asia with our China operation, so we are a global player. They like that we have US settlement to support the US market, but shipping 50-ton units from the US to China is not advantageous logistically. When they have projects and customers for US and European markets, of course they like the fact that we can build it here. There is also an element and trade secret and IP, but they also like the fact that we can protect very sophisticated items like the cancer treatment equipment or some very specialty defense work and stays in the United States.

CEO CFO: TechPrecision is involved in a number of industries; are there industries where you would like to be more involved?

Mr. Molinaro: It is a matter of growing in the industries. We want to continue to expand particularly in the nuclear sector. It is ironic that the NRC has now approved what is called an AP Reactor (Advanced Passer reactor), and pretty much eliminated any of the issues that you have seen or were associated with in Fukushima. It was tragic, but there are technologies that are better, so the AP Reactor was just approved by the NRC. The United States is building the first two of six units in the US, but 70% of the content that goes into those reactors is

being purchased from abroad, which is pretty disgusting. Here is the other issue. Each nuclear reactor is around \$16 billion and the US government is providing loan guarantees for that \$16 billion. However, of the \$16 billion of US loan guarantees, 70% of the content is being produced outside of the US and not benefiting anyone in the US. It is kind of bizarre. It should not be that way, because that very same reactor is being built in China. China is providing the money guarantees for those reactors in China. The Chinese government has passed legislation, which requires that 85% content for those reactors must be made in mainland China. It is the very same product, the very same technology, the very same guarantees, but one government has no restrictions on content and the other one has an 85% restriction. Therefore, I am working very hard to get people to stand up, listen and know that TechPrecision is a company that can bring some of that 70% non-US content back to the United States for our Company and others to produce.

CEOCFO: What is the structure of TechPrecision and do you see acquisitions in the future?

Mr. Molinaro: Because we have plenty of Tier-1 customers that we are just growing into, we are going to be we plan to open another US manufacturing facility and we are going to do that organically rather than through acquisitions. We keep our eyes open for acquisitions. But to get from \$25 million up to \$100 million over the next few years will be a 100% organic, we have all the Tier-1 customers in-place today and they want to buy more from us. We just have to grow with them and partner with them and execute. So, acquisitions are unlikely, but another US factory, most

definitely. When it is done we will have two very large US factories and we have two very large operations in China.

CEOCFO: What is the financial picture like for TechPrecision today?

Mr. Molinaro: The good news is we have very little debt. We have cash on the books and the outlook looks like it is going to continue to be cash accretive, so we are pretty happy with the growth projection of our company financially.

CEOCFO: Is the investment community paying attention?

Mr. Molinaro: Yes. We are a public company and we very much want to graduate to Nasdaq as soon as we can. We are already covered by three analysts and not many. Over the Counter companies are covered by analysts. Some are being very aggressive with our growth curve. I keep joking with several of them that I probably need growth in the third factory just to keep up with their forecast. However, this is an exciting company with exciting ability and we will maintain the double-digit growth for the foreseeable future.

CEOCFO: Is TechPrecision able to work on all the projects that come to you; are you staffed enough?

Mr. Molinaro: Yes we are currently staffed properly. The new factory like any new factory will pose some challenges to get it up and operating, but the unemployment rate is such in the US that I believe we can find the right talent and continue to grow and hire.

CEOCFO: Do you do much investor outreach as CEO?

Mr. Molinaro: Yes, we do quite a bit of time on the road meeting with investors or attending specific confer-

ences. Our IR firm does an excellent job of keeping us in front of investor markets, whether it is a private road show or conference. There are three analysts covering us. The analysts also like to set up road shows for us to stay out in front of the public and it takes up a good part of my time. I love to be in front of the shareholders, but I much prefer to be in front of our customers, continue the growth path and produce the numbers that investors are excited to talk about. Therefore, I spend about 30% of my time on the investor front and 70% of my time on the customers and our operations.

CEOCFO: 2011 was a pivotal year for TechPrecision; what is the biggest milestone over the past year?

Mr. Molinaro: We opened up the operations in China and achieved cash flow profitability in less than six months.

CEOCFO: Final thoughts, why should investors pay attention to TechPrecision today?

Mr. Molinaro: There are very few companies like TechPrecision in the public market. There are very few companies like TechPrecision who have the ability and customer base to continue to grow at a double-digit rate regardless of the economy on a global basis. It is one of those diamonds in the rough companies. I have been onboard for the last twenty months and if you like what I have done for the last twenty months, wait until you see what is going to happen in the next twenty months. Just a great opportunity, this is a very undervalued company today.



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