

Pro-Tech Industries Announces First Quarter 2011 Results

Sacramento, Ca, Pro-Tech Industries, Inc. (OTCBB: PTCK), a leader in design-build infrastructure services, announced its results for the quarter ending March 31, 2011.

For the quarter ended March 31, 2011, the Company reported revenue of \$3.6 million and net income of \$50,000 from continuing operations or \$0.00 per share. This compares to revenue of \$2.8 million and net loss from continuing operations of \$402,000 or \$(0.02) per share for the quarter ended March 31, 2010.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$31,000 or \$0.00 per share for the quarter ended March 31, 2011, compared to a \$374,000 loss or \$0.02 loss per share for the quarter ended March 31, 2010. The Company views EBITDA as a useful measure of its operating performance as it eliminates the aberrations produced by amortization and discontinued operations, and enables the investment community to better evaluate our long run profitability from the ongoing operations.

For the trailing twelve months, the Company's revenues were \$14.6 million with an operating profit of \$622,000 and net income of \$553,000 from continuing operations or \$0.03 per share. Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$861,000 or \$0.05 per share for the quarter ended March 31, 2011. A reconciliation of these numbers has been included in the tables section and is taken from our filings.

Donald Gordon, Chairman of the Board and CEO, stated, "We are pleased with the progress made over the past twelve months. It shows the hard work of the management team and our associates is paying off. We have made hard decisions which at times have been difficult, but the positive results help to reinforce these decisions".

Sean McGuire, President of Pro-Tech Fire Protection Systems Corp, added, "Decisions we have made to emphasize the service and support side of our Fire Life Safety segment are beginning to pay dividends as we go into the second quarter. We are excited about the possibilities these services bring to the segment as we build up the services division to take on a more prominent role. We believe but cannot guarantee that we will see significant market penetration in this area as our investment takes hold in late second quarter and into quarter three".

About Pro-Tech Industries, Inc.:

Through its wholly owned subsidiary, Pro-Tech Fire Protection Systems Corp., Pro-Tech Industries, Inc. provides design-build services in the following infrastructure segments: Fire Protection, Alarm and Detection, Telecommunications and Network Services. These services are provided to the Commercial/Industrial Sector, Fortune 1000 companies, and Federal, State, and Local government. For more information please visit <http://www.pro-techind.com>.

Forward Looking Statements

Statements about the Company's expectations, including revenue and earnings and all other statements in this press release, other than historical facts, are "forward looking" statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward looking statements involve risks and uncertainties and are subject to change at any time. The Company's actual results could differ materially from expected results. In reflecting subsequent events or circumstances, the Company undertakes no obligation to update forward looking statements.

The following statements are summarized from the Company's annual report for the year ended December 31, 2010, on Form 10-K, filed on April 15, 2011. Please see this filing on the Security and Exchange Commission's Edgar website (sec.gov) in its entirety for full footnote disclosures and discussions.

Pro-Tech Industries, Inc.
Consolidated Balance Sheet

| | <u>3/31/11</u> | <u>12/31/10</u> |
|---|-------------------------|-------------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 290,999 | \$ 323,472 |
| Contract receivable, net of allowance for doubtful accounts | 2,778,822 | 2,471,505 |
| Costs and estimated earnings in excess of billings | 556,253 | 347,254 |
| Inventory | 56,366 | 59,948 |
| Other current assets | 105,237 | 127,399 |
| Deferred financing cost, net | 3,979 | 30,130 |
| Total current assets | 3,791,656 | 3,359,708 |
| Property plant and equipment, net | 273,909 | 282,183 |
| Other Assets: | | |
| Deposits | 10,856 | 10,856 |
| Total assets | \$ <u>4,076,421</u> | \$ <u>3,652,747</u> |
| Liabilities and Stockholders' Equity (Deficit) | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | \$ 2,587,930 | \$ 1,821,676 |
| Short term note payable | 17,500 | 26,658 |
| Notes payable – current portion | 205,375 | 214,872 |
| Accruals on uncompleted projects | 172,429 | 310,082 |
| Reserve for loss on uncompleted contracts | 6,838 | 6,472 |
| Line of credit | 925,000 | 950,000 |
| Warrant and preferred stock derivative liability | 456,368 | 547,472 |
| Discontinued operations | <u>146,648</u> | <u>554,114</u> |
| Total current liabilities | 4,518,088 | 4,431,346 |
| Long -Term Liabilities: | | |
| Notes payable- others – long term portion | 140,564 | 183,530 |
| Discontinued Operations | <u>71,418</u> | <u>123,526</u> |
| Total Long Term Liabilities | 307,056 | 307,056 |
| Series A 10% convertible redeemable preferred stock | 602,079 | 459,411 |
| Stockholders' Equity (Deficit): | | |
| Common Stock | 18,894 | 18,833 |
| Additional paid in capital | 1,046,939 | 1,152,934 |
| Accumulated deficit | <u>(2,321,561)</u> | <u>(2,716,833)</u> |
| Total stockholders' equity (deficit) | (1,255,728) | (1,545,066) |
| Total liabilities and stockholders' equity (deficit) | \$ <u>4,076,421</u> | \$ <u>3,652,747</u> |

Pro-Tech Industries, Inc.
Consolidated Income Statement
Three Months Ended March 31,

| | <u>2011</u> | <u>2010</u> |
|---|-------------------|-----------------------|
| Net revenue | \$ 3,549,362 | \$ 2,807,467 |
| Cost of sales | <u>2,209,933</u> | <u>1,998,567</u> |
| Gross profit | 1,339,429 | 808,900 |
| Operating Expenses: | | |
| Depreciation and amortization | 51,068 | 75,677 |
| Selling, general and administrative | <u>1,308,223</u> | <u>1,182,430</u> |
| Total Operating Expenses | 1,359,291 | 1,258,107 |
| Income (Loss) from Operations | (19,862) | (449,207) |
| Other Income (Expense): | | |
| Gain on change in fair value of derivative liability | 91,104 | - |
| Interest expense, net | <u>(21,472)</u> | <u>(33,737)</u> |
| Total Other Income (Expense) | 69,632 | (33,737) |
| Income (loss) income before income taxes | 49,770 | (482,944) |
| Income tax benefit (expense) | _____ - | <u>80,490</u> |
| Income(loss) from continuing operations | 49,770 | (402,454) |
| Income(loss) from discontinued operations | <u>359,679</u> | <u>(650,162)</u> |
| Net Income(Loss) | 409,449 | (1,052,616) |
| Preferred stock dividends and amortized discount | <u>154,689</u> | _____ - |
| Net Income(loss) attributable to common shareholders | \$ <u>254,760</u> | \$ <u>(1,052,616)</u> |
| Net income (loss) per share from continuing operations: | \$ 0.00 | \$ (0.02) |
| Net income (loss) per share: | \$ 0.02 | \$ (0.06) |
| Weighted average common shares outstanding (Note C) | 18,398,574 | 18,022,600 |

Pro-Tech Industries, Inc.
Reconciliation of Income (Loss) from Operations to EBITDA

| | Quarter Ended | | Trailing Twelve |
|-------------------------------|-----------------------|-----------------------|------------------------------|
| | <u>March 31, 2011</u> | <u>March 31, 2010</u> | <u>Months March 31, 2011</u> |
| Income (Loss) from Operations | \$ (19,862) | \$ (449,207) | \$ 622,000 |
| Add back: | | | |
| Depreciation and amortization | <u>51,068</u> | <u>75,677</u> | <u>239,000</u> |
| EBITDA(loss BITDA) | \$ <u>31,206</u> | \$ <u>(373,530)</u> | \$ <u>861,000</u> |

| | | | |
|--|------------|------------|------------|
| EBITDA(loss BITDA) per share | \$ 0.00 | \$ (0.02) | \$ 0.05 |
| Weighted average common shares outstanding | 18,398,574 | 18,022,600 | 18,398,574 |

Trailing Twelve Months Reconciliation
(000's)

| | Twelve Months <u>12/31/10</u> | Less YTD <u>3/31/10</u> | Plus YTD <u>3/31/11</u> | Trailing Twelve <u>3/31/11</u> |
|---|-------------------------------------|----------------------------|----------------------------|--------------------------------------|
| Net revenue | \$ 13,891 | \$ 2,807 | \$ 3,549 | \$ 14,633 |
| Cost of sales | <u>9,120</u> | <u>1,999</u> | <u>2,210</u> | <u>9,331</u> |
| Gross profit | 4,771 | 808 | 1,339 | 5,302 |
| Operating Expenses: | | | | |
| Depreciation and amortization | 264 | 76 | 51 | 239 |
| Selling, general and administrative | <u>4,315</u> | <u>1,182</u> | <u>1,308</u> | <u>4,441</u> |
| Total Operating Expenses | 4,579 | 1,258 | 1,359 | 4,680 |
| Income (Loss) from Operations | 192 | 450 | (20) | 622 |
| Other Income (Expense): | | | | |
| Gain (loss) on change in fair value of derivative liability | (34) | 0 | 91 | 57 |
| Interest expense, net | <u>(139)</u> | <u>34</u> | <u>(21)</u> | <u>(126)</u> |
| Total Other Income (Expense) | (173) | 34 | 70 | (69) |
| Income before income taxes | 19 | 484 | 50 | 553 |
| Income tax benefit (expense) | <u>80</u> | <u>(80)</u> | - | - |
| Income from continuing operations | \$ <u>99</u> | \$ <u>404</u> | \$ <u>50</u> | \$ <u>553</u> |
| Net income from continuing operations per share | | | | \$ 0.03 |
| Weighted average common shares outstanding | | | | 18,398,574 |

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