

Pro-Tech Industries Announces Second Quarter 2010 Results

Sacramento, Ca, Pro-Tech Industries, Inc. (OTCBB: PTCK), a leader in design-build infrastructure services, announced its results for the second quarter of fiscal 2010 ending June 30, 2010.

For the quarter ended June 30, 2010, the Company reported revenue of \$3.7 million, operating profit of \$329,000 and net income of \$208,000 or \$0.02 per share. This compares to revenue of \$3.6 million, operating loss of \$479,000 and net loss of \$903,000 or \$0.01 per share for the quarter ended June 30, 2009.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$426,000 or \$0.02 per share, compared to a \$398,000 loss or \$0.02 loss per share for the same quarter last year. 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.

For the six months ended June 30, 2010, Pro-Tech **Industries, Inc.** had revenue of \$7.2 million, operating loss of \$479,000 and net loss of \$845,000 or \$0.04 per share. This compares to revenue of \$7.6 million, operating profit of \$352,000 million and net loss of \$103,000 or \$0.01 per share for the first six months of fiscal 2009.

EBITDA for the six month period ended June 30, 2010 totaled a loss of \$306,000 or \$0.02 per share, compared to a loss of \$273,000 or \$0.02 per share for the same period last year.

Donald Gordon, Chairman of the Board and CEO, stated, "We are pleased with the progress made this quarter. We have positive sales growth and positive earnings for the first time in two quarters. We believe our results show the sales effort and cost cutting measures are taking hold as we continue to execute our growth strategy and enjoy the benefit of a favorable mix of products.

Our Fire Protection segment performance is leading the way and remains solid. This segment represented 61% of our sales for the first six months of fiscal 2010 as compared to 50% of our sales at the close of fiscal 2009. Currently we have see our Telecommunications segment drop off compared to the second quarter of the prior year. However, we are trying to backfill this revenue through our relationship with Atazz Technical Services and are starting to see an increase in bid activity and job wins. We expect, but cannot guarantee, this relationship to help start to replace the decrease in revenue from our contract with the Sacramento based systems integrator for the State of California which begins to wind down. While private sector work in all of our segments remains slow, we are starting to see some increases in bid activity. The turbulence in the economy continues to impact all of our segments and management has worked hard at cutting costs to better position the Company to be competitive in the bidding process. We expect, but can provide no assurances, that both of these segments will gain strength over the balance of the year and we envision modest continued improvement into fiscal 2011.

Despite the economic environment, Pro-Tech is in good position to continue to execute our long-term strategy. As part of this strategy, Pro-Tech has signed a non-binding LOI to divest Conseco, the flooring segment. Pro-Tech management has decided that, in the long-term, Conseco does not fit well with our core fire and telecommunication business segments.

Further, Pro-Tech has improved its working capital position through a capital raise. These funds have allowed Pro Tech to take on addition new business during the quarter. In summary, our Company continues to move in the right direction and we are confident that we are creating future value for our shareholders and opportunity for our employees."

About Pro-Tech Industries, Inc.:

Through its wholly owned subsidiaries, Pro-Tech Fire Protection Systems Corp. and Conesco, Inc., Pro-Tech Industries, Inc. provides design-build services in the following infrastructure segments: Fire Protection, Alarm and Detection, Telecommunications, Network Services, Flooring and Electrical Contracting. 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 quarterly filing on Form 10-Q filed August 16, 2010. Please see this filing on the Security and Exchange Commission's Edgar website in its entirety for full footnote disclosures and discussions.

Pro-Tech Industries, Inc. Balance Sheet

	<u>June 30, 2010</u> <u>(unaudited)</u>	<u>December 31, 2009</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 551,615	\$ 186,894
Contract receivable, net of allowance for doubtful accounts	2,620,959	2,659,979
Costs and estimated earnings in excess of billings	322,976	123,185
Inventory	188,014	277,238
Other current assets	321,668	154,386
Discontinued operations	<u>1,234,446</u>	<u>1,433,283</u>
Total current assets	5,239,678	4,834,965
Property plant and equipment, net	245,479	298,141
Other Assets:		
Intangibles, net	338,963	433,623
Deposits	10,856	10,856
Discontinued Operations	<u>3,252</u>	<u>4,509</u>
Total assets	<u>5,838,228</u>	<u>5,582,094</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	2,821,430	2,213,959
Notes payable – current portion	191,309	184,512
Accruals on uncompleted contracts	223,559	284,945
Line of credit	1,000,000	900,000
Warrant and derivative liability	249,884	-
Discontinued operations	<u>667,049</u>	<u>579,094</u>
Total current liabilities	5,153,231	4,243,000

Long -Term Liabilities:		
Notes payable- others – long term portion	235,132	332,580
Discontinued Operations	<u>67,050</u>	<u>81,491</u>
Total Long Term Liabilities	302,182	414,071
Series A 10% convertible redeemable preferred stock, no par value, 40,000 shares authorized; 23,000 and 0 issued and outstanding, (net) at June 30, 2010 and December 31, 2009, respectively	226,387	-
Stockholders' Equity:		
Common Stock, \$0.001 par value; 70,000,000 shares authorized; 18,532,808 and 18,593,880 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively	18,533	18,594
Paid in capital	1,404,374	1,421,467
Accumulated deficit	<u>(1,266,479)</u>	<u>(515,038)</u>
Total stockholders' equity	156,428	925,023
Total liabilities and stockholders' equity	<u>\$ 5,838,228</u>	<u>\$ 5,582,094</u>

Pro-Tech Industries, Inc.
Statement of Income

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Net revenue	\$ 3,707,399	\$ 3,597,993	\$ 7,159,939	\$ 7,632,638
Cost of sales	<u>2,132,062</u>	<u>2,332,862</u>	<u>5,041,027</u>	<u>4,678,465</u>
Gross profit	1,575,337	1,265,131	2,118,912	2,954,174
Operating Expenses:				
Depreciation and amortization	97,120	42,507	173,007	79,130
Selling, general and administrative	<u>1,149,096</u>	<u>1,663,455</u>	<u>2,424,933</u>	<u>3,227,361</u>
Total Operating Expenses	1,246,216	1,705,962	2,597,940	3,306,491
Income (Loss) from Operations	329,121	(440,831)	(479,028)	(352,317)
Other Income (Expense):				
Gain on change in fair value of derivative liability	203,827	-	203,827	-
Interest expense, net	<u>(22,941)</u>	<u>(28,543)</u>	<u>(56,678)</u>	<u>(46,060)</u>
Total Other Expenses	<u>180,886</u>	<u>(28,543)</u>	<u>147,149</u>	<u>(46,060)</u>
Income (loss) income before income taxes	510,007	(469,374)	(331,879)	(398,377)
Income tax benefit (expense)	<u>-</u>	<u>89,792</u>	<u>80,490</u>	<u>29,476</u>
Income(loss) from continuing operations	510,007	(379,582)	(251,389)	(368,901)
Income(loss) from discontinued operations	<u>(196,962)</u>	<u>154,519</u>	<u>(488,182)</u>	<u>266,168</u>
Net Income(Loss) Income	313,045	(225,063)	(739,571)	(102,733)

Preferred stock dividends	<u>105,098</u>	=	<u>105,098</u>	=
Net Income(loss) attributable to common shareholders	<u>\$ 207,947</u>	<u>\$ (225,063)</u>	<u>\$ (844,669)</u>	<u>\$ (102,733)</u>
Net income (loss) per share from continuing operations:				
Basic	<u>\$ 0.03</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Net income (loss) per share:				
Basic	<u>\$ 0.02</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>
Net income (loss) per share attributable to common shareholder:				
Basic	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ (0.05)</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding	<u>18,473,871</u>	<u>17,772,107</u>	<u>18,382,232</u>	<u>17,486,713</u>

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

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Income (Loss) from Operations	329,121	(440,831)	(479,028)	(352,317)
Add back:				
Depreciation and amortization	97,120	42,507	173,007	79,130
EBITDA(loss BITDA)	426,241	(398,324)	(306,021)	(273,187)
EBITDA(loss BITDA) per share	<u>\$ 0.02</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average common shares outstanding	<u>18,473,871</u>	<u>17,772,107</u>	<u>18,382,232</u>	<u>17,486,713</u>

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