



November 19, 2012

To our Stockholders:

Fiscal 2012 was an important transitional year and we are seeing the results of the improvements in fiscal 2013 as we build upon our quarter-on-quarter results.

As a re-cap during FY2012, we:

- Added a new Tier-1 customer for leading-edge PolySi chamber production at our Ranor division
- Passed the NRC quality review to produce the AOS-100/50 Nuclear Isotope Casks (currently the only Type B isotope transport casks approved by the NRC in the United States)
- Completed the expansion of the Ranor facility and installation of our new large-scale gantry mill to accommodate larger, more complex projects
- Hired Bob Francis as President/GM to lead the transition of our Ranor division
- Secured a \$9.5 million purchase agreement for our WCMC division to produce complete sapphire vacuum chambers/furnaces
- Achieved \$4.6 million in revenue for the first nine months of production at our WCMC division

For the first two-quarters of FY2013, we have:

- Completed the upgrade of four of the seven operational direct reports to Bob Francis, President/GM of the Ranor division
- Continued expansion of the manufacturing/operational processes and KPI's to support the Ranor transition and revenue growth; particularly with utilizing our ERP system
- Demonstrated quarter-on-quarter performance improvements from Q4 FY2012 thru Q2 FY2013; remain on course to continue this quarter-on-quarter improvement through the remainder of FY2013
- In Q2 FY2013, began production volume shipments of the Sapphire chambers from our WCMC division
- Turned-around and delighted key customers who were not satisfied with Ranor's performance
- Made changes to the Board of Directors to support the Company's Strategic Vision

The challenges we have faced and since overcome were associated with first-article production for certain defense, alternative energy and commercial customers and are now behind us. Bob Francis and his new management team continue to implement and build the operational processes and KPI's to ensure first-article or even repeat order mistakes are a thing of the past. As I stated before, I have been personally contacted by several of our key customers telling me they see a tremendous positive change at Ranor and are very pleased.

We remain focused to continue to build our Product Solution offering vs. general contract manufacturing to our existing and potential customers to include:



This product solution strategy provides our customers with a complete outsource solution for delivering a completed/tested production directly to their customers. TechPrecision has seen the customer adoption of the production solutions in the Medical, Defense, Nuclear, Sapphire/PolySi and Carbon Black markets. The next few paragraphs highlight our status in each of those markets.

On the medical device front, we are very pleased that our customer, Mevion Systems, received 510k clearance from the FDA, in June, for their S250 proton beam cancer treatment system. For fiscal 2013 we are anticipating that revenues from the production of the Proton Beam equipment will significantly exceed our medical device revenue for FY2012 which was approximately \$1 million. We anticipate that annual revenues in the proton beam/medical equipment sector will continue significant growth for the coming years.

In the nuclear sector, our customer, Alpha Omega Services (AOS), received NRC approval and our Ranor division passed the NRC quality inspection to produce the isotope transport casks. These are currently the only Type B transport casks approved for isotope transport in the United States and we look forward to increased revenues with this product offering. Potentially higher demand for the nuclear transport casks will come via the transport requirements for "fissile" material. AOS and another strategic customer are awaiting design approval from the NRC to also utilize the casks for "fissile" material. We believe the transport of "fissile" material is a greater market opportunity than the "isotope" transport market.

In the defense and aerospace sector our confidential product offering continues to grow with multiple prime defense contractors. The majority of our product assemblies are associated with the submarine programs. In this coming year it is expected the government will fund the Block 4 program to further increase our growth and product offering in the defense sector.

Our WCMC division began production volume shipments of the sapphire chambers/products in Q2 FY2013. The majority of the chambers produced support the LED market; however the recent use of sapphire on the camera lens of a new mobile phone offered by a large supplier of such devices has shifted the focus to mobile phones as it is anticipated that many suppliers will seek to adopt sapphire on the entire front screen of their mobile phone offerings. One of our strategic customers announced they believe a single-digit adoption of sapphire for the front screens of mobile phones would result in a demand for more than 3,000 sapphire furnaces.

Recently, we added a new strategic customer for the Poly Silicon (PolySi) market. The primary strategic focus of the PolySi market is to produce large batches or volumes of PolySi to reduce the overall cost. This lower cost PolySi will benefit the solar and semiconductor markets. The semiconductor industry is in the process of adopting the use of 450-mm wafers compared to the current 300-mm wafers. The benefits for the semiconductor integrated circuit (IC) manufacturers will be to produce more IC's on one wafer. The 450-mm wafers has approximately 225% more surface area than the 300-mm wafer; thus resulting in the volume demand for larger PolySi reactors.

In the Carbon Black market, the world-wide annual growth from tire-manufacturers, particularly in Asia will continue to require increased Carbon Black furnace production and new technologies for the coming years.

In closing, I would like to thank each of our valuable employees and customers for their continued commitment to TechPrecision as we implement our operational systems, production solution strategy and transition.

I also want to thank our Board of Directors for their support this past year as well as our stockholders and others within the investment community for supporting and believing in our strategic vision.

Sincerely,

A handwritten signature in black ink, appearing to read 'James S. Molinaro', with a long horizontal flourish extending to the right.

James S. Molinaro
Chief Executive Officer