

TNR Technical, Inc.  
QUARTERLY REPORT  
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2012

**Item 1 – Exact name of issuer and address of principal executive offices**

TNR Technical, Inc.  
301 Central Park Drive  
Sanford, Florida 32771

A description of the business, competitive business conditions, information related to employees, and a description of the properties can be found in Item 8 in the Annual Report for the Year Ended, June 30, 2011.

**Item 2 – Shares outstanding**

The number of shares outstanding of the issuer's Common Stock as of March 31, 2012 was 307,119. As of May 10, 2012, the number of shares held by non-affiliates was 138,370 shares. The approximate market value based on the last sale (i.e. \$11.50 per share) of the Company's Common Stock as of the trade date of May 9, 2012 held by non-affiliates was \$1,591,255.

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**Item 3 – Interim Financial Statements**

TNR Technical, Inc.	(Unaudited)	
Balance Sheets		
Assets	March 31, 2012	June 30, 2011
Current assets:		
Cash and cash equivalents	\$ 2,015,031	\$ 1,624,920
Investments	169,156	349,044
Accounts receivable - trade, less allowance for doubtful accounts of \$15,564 and \$12,673	762,624	620,884
Inventories	1,803,969	1,943,025
Prepaid expenses and other current assets	30,801	41,112
Income taxes receivable	6,508	-
Deferred tax assets	101,000	101,000
<b>Total current assets</b>	<b>\$ 4,889,089</b>	<b>\$ 4,679,985</b>
Property and equipment, net of accumulated depreciation and amortization		
	\$ 74,798	\$ 57,573
Non-current deferred tax asset	2,000	2,000
Deposits	16,749	16,749
<b>Total assets</b>	<b>\$ 4,982,636</b>	<b>\$ 4,756,307</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 467,962	\$ 441,498
Accrued expenses	325,743	340,182
Income taxes payable	-	37,000
<b>Total current liabilities</b>	<b>\$ 793,705</b>	<b>\$ 818,680</b>
Shareholders' equity:		
Common stock - \$0.02 par value, authorized 500,000 shares; 360,331 shares issued; 307,119 outstanding	\$ 7,207	\$ 7,207
Additional paid-in capital	3,405,001	3,405,001
Retained earnings	1,189,777	938,473
Treasury stock, at cost 53,212 shares	(413,054)	(413,054)
<b>Total shareholders' equity</b>	<b>\$ 4,188,931</b>	<b>\$ 3,937,627</b>
<b>Total liabilities and Shareholders' equity</b>	<b>\$ 4,982,636</b>	<b>\$ 4,756,307</b>

See accompanying notes to financial statements.

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TNR Technical, Inc. Statements of Income	(Unaudited) For the three months ending March 31,		(Unaudited) For the nine months ending March 31,	
	2012	2011	2012	2011
Revenue:				
Net sales	\$ 2,375,021	\$ 2,578,274	\$ 6,697,750	\$ 7,037,644
Cost of goods sold	<u>1,682,866</u>	<u>1,803,260</u>	<u>4,741,539</u>	<u>4,979,303</u>
Gross margin	692,155	775,014	1,956,211	2,058,341
Selling, general and administrative	<u>530,670</u>	<u>527,905</u>	<u>1,543,210</u>	<u>1,618,512</u>
Operating income	161,485	247,109	413,001	439,829
Other income:				
Interest income	4,274	7,248	13,191	32,160
Investment gains (loss), net	<u>36</u>	<u>(8,730)</u>	<u>(14,888)</u>	<u>(228)</u>
Total other income	<u>4,310</u>	<u>(1,482)</u>	<u>(1,697)</u>	<u>31,932</u>
Income before income taxes	165,795	245,627	411,304	471,761
Provision for income taxes	<u>65,000</u>	<u>98,000</u>	<u>160,000</u>	<u>187,000</u>
Net income	<u>\$ 100,795</u>	<u>\$ 147,627</u>	<u>\$ 251,304</u>	<u>\$ 284,761</u>
Basic earnings per share	<u>\$ 0.33</u>	<u>\$ 0.48</u>	<u>\$ 0.82</u>	<u>\$ 0.93</u>
Diluted earnings per share	<u>\$ 0.33</u>	<u>\$ 0.48</u>	<u>\$ 0.82</u>	<u>\$ 0.93</u>
Weighted average number of shares outstanding - basic	<u>307,119</u>	<u>307,399</u>	<u>307,119</u>	<u>307,211</u>
Weighted average number of shares outstanding - diluted	<u>307,119</u>	<u>307,399</u>	<u>307,119</u>	<u>307,211</u>

See accompanying notes to financial statements.

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**TNR Technical, Inc.**  
**Statements of Shareholder's Equity**

	<u>Common Stock</u>		Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholder's Equity
	Shares	Amount				
Balances, June 30, 2011	360,331	\$ 7,207	\$ 3,405,001	\$ 938,473	\$ (413,054)	\$ 3,937,627
Purchase of Treasury Stock			-	-	-	-
Dividend Payment			-	-	-	-
Net Income			-	251,304	-	251,304
Balances, March 31, 2012	<u>360,331</u>	<u>\$ 7,207</u>	<u>\$ 3,405,001</u>	<u>\$ 1,189,777</u>	<u>\$ (413,054)</u>	<u>\$ 4,188,931</u>

See accompanying notes to financial statements.

**TNR Technical, Inc.**  
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<b>Statements of Cash Flows</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>For the period ended</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
Cash flows from operating activities:		
Net Income	\$ 251,304	\$ 284,761
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Deferred income tax expense	-	(13,000)
Depreciation and amortization	19,046	21,064
Provision for doubtful accounts	2,891	4,940
Realized and unrealized (gain) loss on investments	14,888	228
Loss on disposition of equipment	1,678	-
Changes in operating assets and liabilities:		
Accounts receivable	(144,630)	(247,358)
Purchase of investments and accrued interest	-	-
Proceeds from disposition of investments	165,000	1,854,707
Inventories	139,056	(167,132)
Prepaid expenses and other assets	10,311	(6,845)
Accounts payable and accrued expenses	12,025	34,656
Income taxes receivable/payable	(43,508)	64,034
Net cash provided by/(used in) operating activities	<u>428,060</u>	<u>1,830,055</u>
Cash flows from investing activities:		
Purchase of property and equipment	(37,949)	(1,886)
Proceeds from disposition of equipment	-	-
Net cash used in investing activities	<u>(37,949)</u>	<u>(1,886)</u>
Cash flows from financing activities:		
Dividend payments	-	(1,996,911)
Purchase of Treasury Stock	-	(7,022)
Net cash used in financing activities	<u>-</u>	<u>(2,003,932)</u>
Increase (Decrease) in cash and cash equivalents	390,111	(175,762)
Cash and cash equivalents - beginning of period	1,624,920	1,317,481
Cash and cash equivalents - end of period	<u>\$ 2,015,031</u>	<u>\$ 1,141,718</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for income taxes	<u>\$ 203,481</u>	<u>\$ 147,841</u>
Non-cash financial activity:		
Dividends declared	<u>\$ -</u>	<u>\$ -</u>
See accompanying notes to financial statements		

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**(1) Presentation of Unaudited Financial Statements**

The unaudited financial statements have been prepared in accordance with rules of the Securities and Exchange Commission and, therefore, do not include all information and footnotes necessary for a fair presentation of the financial position, results of operations and cash flows, in conformity with generally accepted accounting principles. The information furnished, in the opinion of management, reflects all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of and for the dates and periods presented herein. These unaudited financial statements should be read in conjunction with the Company's audited financial statements and the notes thereto included in the Company's latest Annual Report for the year ended June 30, 2011 filed with the OTC Marketplace. The results of operations for the three and nine months ended March 31, 2012 are not necessarily indicative of results which may be expected for any other interim period, or for the year as a whole.

**(2) Investments**

Investments held by the Company are classified as trading securities and consist of certain corporate fixed income securities and common stock. Trading securities are carried at fair value and unrealized gains and losses associated with trading securities are included in earnings on a current basis. The Company values these investments using the closing price on the last business day of each period presented. All investments are classified as Level 1.

Investments, stated at fair value, consist of the following:

	<b>(Unaudited)</b>	
	<b>March 31, 2012</b>	<b>June 30, 2011</b>
Fixed Income Securities	\$ 166,916	\$ 338,404
Common Stock	2,240	10,640
Total Investments	<u>\$ 169,156</u>	<u>\$ 349,044</u>

**(3) Inventories**

Inventories consist of the following:

	<b>(Unaudited)</b>	
	<b>March 31, 2012</b>	<b>June 30, 2011</b>
Finished goods/work-in-progress	\$ 51,076	\$ 55,177
Purchased product and materials	1,752,893	1,887,848
	<u>\$ 1,803,969</u>	<u>\$ 1,943,025</u>

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**(4) Income Taxes**

The income tax provision for the three months and nine months ending March 31, 2012 and 2011 consists of the following:

	<b>(Unaudited)</b> <b>March 31, 2012</b>	<b>(Unaudited)</b> <b>March 31, 2010</b>
Current Tax Expense		
Federal	\$ 145,000	\$ 161,000
State	33,000	37,000
	<u>178,000</u>	<u>198,000</u>
Deferred Tax (Benefit)		
Federal	\$ -0-	\$ (9,000)
State	-0-	(2,000)
	<u>-0-</u>	<u>(11,000)</u>
Total Current and Deferred	\$ <u>178,000</u>	\$ <u>187,000</u>
Adjustment to prior year tax estimate	\$ <u>(18,000)</u>	<u>-0-</u>
Total Income Tax Expense	\$ <u>160,000</u>	\$ <u>187,000</u>

Tax expense for the nine months ended March 31, 2012 includes an adjustment of \$18,000 for differences between management's original estimates for federal and state tax expenses for the year ended June 30, 2011, and final calculations as determined by tax returns filed with relevant tax authorities.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 2012 and June 30, 2011 are presented below:

	<b>(Unaudited)</b> <b>March 2012</b>	<b>June 2011</b>
Deferred tax assets:		
Inventories	\$71,000	\$78,000
Accounts receivable	6,000	5,000
Capital losses on investments	84,000	82,000
Value of stock options issued	15,000	15,000
Accrued paid time off	<u>14,000</u>	<u>10,000</u>
Deferred tax assets	190,000	190,000
Deferred tax liabilities:		
Depreciation and amortization	(13,000)	(13,000)
Valuation allowance:	<u>(74,000)</u>	<u>(74,000)</u>
Net deferred tax assets:	<u>\$103,000</u>	<u>\$103,000</u>

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As of June 30, 2011 the Company determined that it is unlikely that the deferred tax asset associated with capital losses on investments will be realized prior to the expiration of such capital losses. As a result, the Company recorded a valuation allowance as of June 30, 2011 of \$74,000.

Deferred taxes are presented in the accompanying March 31, 2012 and June 30, 2011 balance sheets as follows:

	<b>(Unaudited)</b> <b><u>March 2012</u></b>	<b><u>June 2011</u></b>
Current deferred tax assets	\$101,000	\$101,000
Noncurrent deferred tax liability	<u>2,000</u>	<u>2,000</u>
	<u>\$103,000</u>	<u>\$103,000</u>

**(5) Issuance of Dividend**

In October 2010 the Board of Directors declared a special one-time dividend of \$6.50 per share, which was paid December 15, 2010 to stockholders of record on November 15, 2010, and reduced cash and retained earnings by \$1,996,911.

**(6) Recent Accounting Pronouncements**

The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance for the year ended June 30, 2011. The Company has carefully considered the new pronouncements that altered generally accepted accounting principles and, other than as disclosed in these notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Company's reported financial position or operations in the near term.

**Item 4 – Management's Discussion and Analysis**

The following discussion and analysis provides information that management believes is relevant to an understanding of the Company's results of operations and financial position. This discussion should be read in conjunction with the financial statements and notes thereto included elsewhere in this quarterly report.

**Forward Looking Statements**

All statements except historical statements contained herein constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. This Quarterly Report and other written and oral statements that we make from time to time contain such forward-looking statements that may anticipate results based on management's plans and assumptions. We have tried wherever possible to identify such statements by using words such

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as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and words and terms of similar substance in connection with any discussion of future operating or financial performance. Nonetheless, all statements except historical statements contained herein may be deemed to constitute “forward-looking statements.” Forward-looking statements are inherently uncertain and are based only on current expectations and assumptions that are subject to future developments that may cause results to differ materially. Readers should carefully consider: (i) economic, competitive, technological and governmental factors affecting the Company’s operations, customers, markets, services, products and prices; and (ii) other factors discussed in the Company’s Annual Report and other documents posted from time to time on the Pink Sheets Electronic OTC Disclosure and News Service website, including without limitation, the description of the nature of the Company’s business and its management discussion and analysis of financial condition and results of operations for reported periods. The Company undertakes no obligation to update, and is not responsible for updating, the information contained herein beyond the publication date, whether as a result of new information or future events, or to conform the statement to actual results or changes in the Company’s expectations, or otherwise, or for changes made to this document by wire services or Internet services.

As of March 31, 2012, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

### **Overview**

The Company designs, assembles and markets primary and secondary batteries to a variety of industrial markets. The Company is an authorized distributor for several major battery manufacturers, the products of which are distributed nationally by the Company. The Company’s business is conducted principally at its two facilities in Sanford, Florida and Santa Ana, California.

### **Critical Accounting Policies**

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of financial statements requires management to make estimates and disclosures on the date of the financial statements. On an on-going basis, we evaluate our estimates including, but not limited to, those related to allowance for trade receivables, reserve on inventories, valuation of compensation expense on stock-based awards and valuation of deferred taxes. We use authoritative pronouncements, historical experience and other assumptions as the basis for making judgments. Actual results could differ from those estimates. We believe that the following critical accounting policies affect our more significant judgments and estimates in the preparation of our financial statements. Management has discussed the selection of critical accounting policies and estimates with our Board of Directors and the Board of Directors has reviewed our disclosure relating to

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critical accounting policies and estimates in this quarterly report.

- **Allowance for Doubtful Accounts**

We are required to make judgments based on historical experience and future expectations, as to our ability to collect the balance of our accounts receivable. We make these assessments based on the following factors: (a) historical experience, (b) customer concentrations, (c) customer credit worthiness, (d) current economic conditions, and (e) changes in customer payment terms.

- **Fair Value Measurements**

As of the beginning of the fiscal year ended June 30, 2010, the Company adopted ASC 820, *Fair Value Measurements and Disclosures* (‘‘ASC 820’’) (formerly referenced as SFAS 157, *Fair Value Measurements*), which introduces a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ‘‘ASC 820’’ defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The standard describes three levels of inputs that may be used to measure fair value:

Level 1 ó Quoted prices in active markets for identical assets or liabilities;

Level 2 ó Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3 ó Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of March 31, 2012. The Company uses the market approach to measure fair value for its Level 1 financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash and cash equivalents, trade receivables, investments, income tax receivable/payable, accounts

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payable and accrued expenses and are immediately available without market risk to principal. Fair values were assumed to approximate carrying values for these financial instruments since they are short term in nature and their carrying amounts approximate fair values or they are receivable or payable on demand. The Company does not have financial assets or liabilities that would be characterized as Level 2 or Level 3 assets.

- **Stock-Based Compensation**

We account for stock-based compensation expense in accordance with ASC 718 (formerly SFAS No. 123(R), Share-Based Payment). Under ASC 718, stock-based compensation expense reflects the fair value of stock-based awards measured at the grant date, is recognized over the relevant service period, and is adjusted each period for anticipated forfeitures. We estimate the fair value of each stock-based award on the date of grant using the Black-Scholes option valuation model. The Black-Scholes option valuation model incorporates assumptions as to stock price volatility, the expected life of options, a risk-free interest rate and dividend yield. Many of these assumptions are highly subjective and require the exercise of management judgment. Our management must also apply judgment in developing an estimate of awards that may be forfeited. If our actual experience differs significantly from our estimates and we choose to employ different assumptions in the future, the stock-based compensation expense that we record in the future periods may differ materially from that recorded in the current period.

- **Deferred Income Taxes**

Management considers the projected future taxable income and tax planning strategies in making their assessment of deferred taxes. The Company believes that future earnings, in addition to the amount of the taxable differences which will reverse in future periods will be sufficient to offset all other recorded net deferred tax assets.

### **Results of Operations**

Net sales for the three months ended March 31, 2012 decreased \$203,253 to \$2,375,021 from the three months ended March 31, 2011, as a result of a combination of factors, including large order losses to competitors, a reduction in sales to some of our larger customers as their customers reduce demand, and an uncertain economic climate. Net sales for the nine months ended March 31, 2012 decreased \$339,894 to \$6,697,750 from the nine months ended March 31, 2011, primarily as a result of sales decreases in the third quarter. Cost of goods sold decreased from \$1,803,260 and \$4,979,303 respectively for the three and nine months ended March 31, 2011 to \$1,682,866 and 4,741,539, respectively for the three and nine months ended March 31, 2012, primarily as a result of decreased sales. The Company's gross margin decreased less than one percent for the three months ended March 31, 2012 as compared to the three months ended March 31, 2011. Gross margin remained consistent at approximately 29% for the nine months ended March 31, 2012 and 2011.

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Operating (selling, general and administrative) expenses increased \$2,765 from the three months ended March 31, 2011 to \$530,670 for the three months ended March 31, 2012. Operating expenses decreased \$75,302 from the nine months ended March 31, 2011, to \$1,543,210 for the nine months ended March 31, 2012, primarily as a result of decreases in advertising and rent expense. Operating expense, when expressed as a percentage of sales was approximately 23% for the nine months ended March 31, 2012 and 2011.

The Company did not charge its operations with any research and development costs during the three and nine months ended March 31, 2012 and 2011. Interest and investment income decreased \$33,629 as a result of low interest rates and an overall decrease in funds invested.

Net income for the three months ended March 31, 2012 was \$100,795 as compared to \$147,627 for the three months ended March 31, 2011. Net income for the nine months ended March 31, 2012 was \$251,304 as compared to \$284,761 for the nine months ended March 31, 2011, for the reasons discussed above. Basic earnings per share were \$0.33 and \$0.48 for the three months ended March 31, 2012 and 2011 respectively, and \$0.82 and \$0.93 for the nine months ended March 31, 2012 and 2011 respectively. Options to purchase shares of common stock were outstanding during the nine months ended March 31, 2012 and 2011, but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares during the period.

### **Recent Trends**

Competitors continue to market and price their products aggressively through the internet, which has a direct impact on the Company's overall sales and our ability to increase gross margins. U.S. manufacturers continue to sell directly into the marketplace alongside an increasing number of web-based operations and expanding local battery franchises. Battery applications are increasingly turning to hazardous battery chemistries that are not currently stocked by the Company, further eroding sales. Manufacturers are not stocking batteries, resulting in shortages on certain models as well as longer lead times of four to seventeen weeks for lead acid batteries, eight to sixteen weeks for nickel cadmium and nickel-metal hydride batteries, and six to fourteen weeks for lithium batteries. Additionally, manufacturers are experiencing increased costs in nearly every component of their supply chain and are passing those costs on in the form of increased prices. Industry reaction to Sanyo's exit from the battery market and the transition of production and labeling over to Panasonic is uncertain, and it is not clear what impact this change will have on sales of what has historically been one of our most successful product lines.

### **Liquidity and Capital Resources**

Working capital amounted to \$4,095,384 at March 31, 2012 as compared to \$3,861,305 at June 30, 2011. Cash and investments amounted to \$2,184,187 at March 31, 2012 as compared to \$1,973,964 at June 30, 2011. As more fully described in the statement of cash flows included in the Company's financial statements elsewhere herein, net cash provided by operating activities amounted to \$428,060.

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During the nine months ended March 31, 2012, cash was provided by net income, the sale of inventory, and proceeds from the disposition of investments. Accounts payable and accrued expenses increased primarily as a result of the bonus accruals. Sales activity during the period resulted in increased accounts receivable balances. Changes in income taxes payable and income taxes receivable reflect both the credit of taxes related to the previous fiscal year and the recording of the tax provision for the current period. Cash was used in investing activities to purchase equipment.

During the nine months ended March 31, 2011, cash was provided by the disposition of investments and net income. Cash was used to purchase inventory. Sales activity during the period resulted in increased accounts receivable balances. Increases in accounts payable and accrued expenses are related to the timing of vendor payments offset by the payout of bonus accruals. Changes in income tax receivable and income tax payable reflect the refund of taxes related to the previous fiscal year, recording of the current quarter tax provision, and estimated payments made during the current fiscal year. Cash was used in investing activities to purchase equipment. Cash was used in financing activities to purchase treasury shares and disburse a special dividend, the payout of which reduced retained earnings by \$1,996,911.

During the past two years, the Company's liquidity needs have been satisfied from internal sources including cash from operations and amounts available from the Company's working capital. During fiscal 2012, management expects this trend to continue. There are no material commitments for capital expenditures or any long-term credit arrangements as of March 31, 2012.

### **Issuance of Dividend**

In October 2010 the Board of Directors declared a special one-time dividend of \$6.50 per share, to be paid December 15, 2010 to stockholders of record on November 15, 2010, the payout of which reduced cash and retained earnings by \$1,996,911.

### **Contractual Obligations**

As of March 31, 2012, there have been no material changes to our contractual obligations disclosed in the Management's Discussion and Analysis section of our Annual Report for the year ended June 30, 2011.

### **Recent Accounting Pronouncements**

The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance for the year ended June 30, 2011. The Company has carefully considered the new pronouncements that altered generally accepted accounting principles and, other than as disclosed in these notes to the financial statements, does not believe that any other new or

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modified principles will have a material impact on the Company's reported financial position or operations in the near term.

**Market Risk**

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, volatilities, correlations or other market factors such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. We are exposed to credit risk on credit extended to customers, and interest rate risk and market risk on investments and borrowings. We actively monitor these risks through a variety of control procedures involving senior management. We do not currently use any derivative financial instruments. We invest primarily on a short-term or variable rate basis. Based on the controls in place, credit worthiness of our customer base and the relative size of these financial instruments, we believe the risk associated with these instruments will not have a material adverse effect on our financial position or results of operations.

**Factors that may affect future results and market price of stock.**

There are many factors which may impact our future operating results and the market price of our common stock. These factors include but are not limited to: (a) changes in levels of competition from current competitors and potential new competition, including those competition factors described under "Recent Trends" herein; (b) costs of acquiring inventory; (c) credit risk associated with our customers; (d) our ability to successfully recover in the event of a disaster; (e) the extent to which we cannot control our fixed and variable costs; (f) fluctuations in the market price of the raw materials related to our goods; (g) general economic conditions in the markets in which we operate; (h) changing regulations relating to our corporate governance and public disclosure and risk of noncompliance; (i) the lack of an established trading market for our common stock and the other uncertainties which are described in Item XVI of the Annual Report for the Year Ended, June 30, 2011. The foregoing should not be construed as an exhaustive list of all factors.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to the Company's investors.

**Item 5 – Legal proceedings**

There are no material legal proceedings to which the Company is party.

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**Item 6 – Defaults upon senior securities**

There have been no defaults upon senior securities.

**Item 7 – Other Information**

Information related to Directors, Executive Officers and Control persons, as well as Security Ownership, can be found in Parts XI and XIV of the Annual Report for the year ended June 30, 2011.

**Item 8 – Exhibits**

None, other than those items as disclosed in the Annual Report for the Year Ended June 30, 2011.

**Item 9 – Certification**

We, Wayne Thaw, CEO and Anne S. Provost, CFO, certify that:

1. We have reviewed this Quarterly Report of TNR Technical, Inc.;
2. Based on our knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and
3. Based on our knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

DATE: May 14, 2012

/s/ Wayne Thaw, Chief Executive Officer

/s/ Anne S. Provost, Chief Financial Officer