



Mar. 31, 2011

*Quarterly Consolidated Financial Statements
as of March 31, 2011*

*Rule 15C2-11
Information*

**KREISLER MANUFACTURING CORPORATION
RULE 15C2-11 INFORMATION**

1. The exact name of the company and its predecessor (if any) is
Kreiser Manufacturing Corporation
2. The address of its principal executive offices is
**180 Van Riper Avenue
Elmwood Park, New Jersey 07407**
3. The state of incorporation of the company is
Delaware
4. The exact title and class of the security to be listed is
Common Stock
5. The par or stated value of the security is
\$0.125
6. The number of shares outstanding as of the end of the company's most recent fiscal year is
1,867,948
7. The name and address of the transfer agent is
**American Stock Transfer and Trust Company
40 Wall Street
New York, NY 10005**

8. The nature of the company's business is described below:

Kreiser Manufacturing Corporation and its wholly-owned subsidiaries, Kreiser Industrial Corporation and Kreiser Polska Sp. z o.o, manufactures precision metal components and assemblies primarily for use in military and commercial aircraft engines and in industrial gas turbines.

9. The nature of products or services offered;

Our products include tube assemblies of multiple sizes and configurations as well as machined components and are typically manufactured to the designs and specifications of the particular customer. Our products may be made of various materials, including titanium, nickel and stainless steel. These high-quality engineered tube assemblies transfer fuel, oil, water, air and hydraulic fluids. Orders are received through competitive proposals, which are made in response to request for bids from contractors who supply engine or engine components to various branches of the United States Department of Defense or to commercial businesses. Kreiser Industrial Corporation's order backlog as of March 31, 2011 was \$41.7 million of which \$5.4 million is orders attributable to the 10 year long-term agreement described in our September 30, 2010 press release.

10. The nature and extent of the company's facilities are described below.

Our principal executive office is located at Chrysler Industrial's manufacturing facility in Elmwood Park, New Jersey. Our New Jersey location consists of a 52,000 square foot leased facility of which over 95% is committed to the operational requirements of Chrysler Industrial. The facility is approximately 60 years old and the current term under the existing lease agreement will expire on September 30, 2012.

In June 2011, our Chrysler Industrial Corporation subsidiary entered into a Credit Agreement with Citibank, N.A. The Credit Agreement is for a maximum of \$3,000,000 and is subject to financial covenants and restrictions on additional investments in and loans to Chrysler Polska by Chrysler Manufacturing Corporation. It is a 2 year agreement and is guaranteed by Chrysler Manufacturing Corporation. As of June 29, 2011 there were no borrowings against this Credit Agreement.

We continue to pursue additional funding for Chrysler Polska for working capital and capital expenditures. This funding requirements is primarily due to our continued investment in Chrysler Polska in support of our 10 year long-term agreement with two customers and our agreement with a third customer to purchase certain manufacturing and assembly equipment needed for Chrysler Polska to produce tube and manifold assemblies of multiple sizes and configurations. There are no assurances we will be able to secure adequate debt funding given the current economic environment and our recent financial performance.

In August 2009, we entered into an agreement and construction started on an approximately 60,000 square manufacturing facility located in Niepolomice, Poland (near Krakow). Ownership of the facility was transferred from the facility developer to Chrysler Polska on December 31, 2010. We re-located all equipment and personnel from our leased Krakow facility during December 2010. We made progress payments for facility construction and improvements using our internal cash. In December 2010, we entered into loan agreements for commercial bank debt financing for the balance of the facility cost of approximately 5.4 million Polish zloty (approximately \$1.9 million) plus a value added tax facility of approximately 1.2 million Polish zloty (approximately \$421,000). Both loans were funded by a Polish commercial bank in early January 2011. The principal of this debt financing was repaid at the end of May 2011 through the European Union program described in our September 30, 2010 press release. The value added tax facility was repaid during March 2011. We continue to lease, and have entered into a sub-lease agreement, for approximately 10,000 square feet in our prior location.

The names of the chief executive officer and members of the board of directors are as follows:

Chairman of the Board and Chief Executive Officer..... Michael D. Stern

Director John W. Poling

Director Edward A. Stern

Edward A. Stern is also Co-President, Chief Financial Officer, Secretary and Treasurer of the Company.

11. The company's most recent balance sheet and profit and loss and retained earnings statements;

The most recent financial information for the three and nine months ended March 31, 2011 is attached hereto as Exhibit A.

12. Similar financial information for such part of the 2 preceding fiscal years as the company or its predecessor has been in existence;

The most recent financial information for the last 2 fiscal years is attached hereto as Exhibit B.

13. Whether the broker or dealer or any associated person is affiliated, directly or indirectly with the company;

No.

14. Whether the quotation is being published or submitted on behalf of any other broker or dealer, and, if so, the name of such broker or dealer:

N/A

15. Whether the quotation is being submitted or published directly or indirectly on behalf of the company, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the company, and, if so, the name of such person, and the basis for any exemption under the federal securities laws for any sales of such securities on behalf of such person.

N/A



EXHIBIT A – CONSOLIDATED FINANCIAL STATEMENTS

The following consolidated financial statements of the Company are included herein:

Consolidated Balance Sheets – March 31, 2011 and June 30, 2010

Consolidated Statements of Operations – Three and Nine Months ended March 31, 2011 and 2010

Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Income/(Loss) – Nine Months ended March 31, 2011

Consolidated Statements of Cash Flows – Nine Months ended March 31, 2011 and 2010

Kreiser Manufacturing Corporation and Subsidiaries
Consolidated Balance Sheets

	Mar. 31, 2011 <i>(Unaudited)</i>	Jun. 30, 2010 <i>(Audited)</i>
Assets		
Cash and cash equivalents	\$ 1,714,822	\$ 2,581,499
Accounts receivable – trade (net of \$20,000 allowance for uncollectible accounts at March 31, 2011 and June 30, 2010)	2,243,408	1,765,174
Inventories	7,473,658	7,076,417
Deferred tax asset, current portion	36,939	36,939
Other current assets	365,934	186,022
Prepaid income taxes	31,500	1,800
Total current assets	11,866,261	11,647,851
Property and equipment, net of \$7,960,477 accumulated depreciation	8,312,680	1,688,721
Deposits on property and equipment	234,438	4,266,683
Deferred tax asset, net of current portion	415,128	713,065
Total non-current assets	8,962,246	6,668,469
TOTAL ASSETS	\$ 20,828,507	\$ 18,316,320
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable – trade	\$ 2,934,243	\$ 1,814,683
Accrued expenses	634,534	1,491,759
Obligation under capital leases, current portion	-	6,233
Loan payable, current portion	2,259,225	47,247
Total current liabilities	5,828,002	3,359,922
Loan payable, net of current portion	44,410	82,155
Accrued environmental costs	482,330	481,786
Total long-term liabilities	526,740	563,941
Commitments and contingencies	-	-
Stockholders' equity		
Common stock, \$.125 par value; 6,000,000 shares authorized; 1,867,948 shares issued and outstanding at March 31, 2011 and June 30, 2010	233,494	233,494
Additional paid-in capital	1,388,780	1,349,824
Retained earnings	12,830,822	13,375,246
Accumulated other comprehensive income/loss	20,669	(566,107)
Total stockholders' equity	14,473,765	14,392,457
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 20,828,507	\$ 18,316,320

Kreiser Manufacturing Corporation and Subsidiaries
Consolidated Statements of Operations (Unaudited)

Three Months Ended March 31,	2011	2010
Net sales	\$ 6,759,709	\$ 5,857,144
Cost of goods sold	6,186,096	5,685,969
Selling, general and administrative expenses	789,874	590,054
Total costs and expenses	6,975,970	6,276,024
Loss from operations	(216,261)	(418,879)
Interest and other income	959	1,539
Interest and other expenses	(41,276)	(6,613)
Realized loss on sale of asset	-	12,301
Foreign currency exchange adjustments	(15,317)	(5,200)
Loss before income tax benefit/(expense)	(271,895)	(416,852)
Income tax (expense)/benefit	(38,696)	(87,312)
Net loss	\$ (310,591)	\$ (504,164)
<i>Net loss per common share:</i>		
Net loss – basic	(\$0.17)	(\$0.27)
Net loss – diluted	(\$0.17)	(\$0.27)
Weighted average common shares – basic	1,867,948	1,867,948
Weighted average common shares – diluted	1,867,948	1,867,948
Nine Months Ended March 31,	2011	2010
Net sales	\$ 20,293,387	\$ 17,064,101
Cost of goods sold	18,422,428	16,483,130
Selling, general and administrative expenses	2,185,868	1,772,833
Total costs and expenses	20,608,296	18,255,963
Loss from operations	(314,909)	(1,191,862)
Interest and other income	3,429	6,738
Interest and other expenses	(46,367)	(18,835)
Realized gain on sale of assets	-	1,991
Foreign currency exchange adjustments	(61)	(14,351)
Loss before income tax (expense)/benefit	(357,908)	(1,216,319)
Income tax (expense)/benefit	(186,516)	102,961
Net loss	\$ (544,424)	\$ (1,113,358)
<i>Loss per common share:</i>		
Net loss – basic	(\$0.29)	(\$0.60)
Net loss – diluted	(\$0.29)	(\$0.60)
Weighted average common shares – basic	1,867,948	1,867,948
Weighted average common shares – diluted	1,867,948	1,867,948

Consolidated Statement of Changes in Stockholders' Equity and Comprehensive Income/(Loss)

Nine Months ended March 31, 2011

	<u>Common Stock Outstanding</u>		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
	Shares	Amounts				
Balances, June 30, 2010 (audited)	1,867,948	\$ 233,494	\$ 1,349,824	\$ 13,375,246	\$ (566,107)	\$ 14,392,457
Comprehensive income:						
Net loss				(544,424)		(544,424)
Foreign currency translation adjustment ⁽¹⁾					586,776	586,776
Total comprehensive income						<u>42,352</u>
Stock-based compensation			38,956			38,956
Balances, March 31, 2011 (unaudited)	1,867,948	\$ 233,494	\$ 1,388,780	\$ 12,830,822	\$ 20,669	\$ 14,473,765

⁽¹⁾ Net of tax expense \$389,539

Kreiser Manufacturing Corporation and Subsidiaries
Consolidated Statements of Cash Flows

Nine months ended March 31,	2011	2010
Cash Flows From Operating Activities:		
Net loss	\$ (544,424)	\$ (1,113,358)
Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:		
Depreciation and amortization	560,737	612,449
Realized gain on disposition of fixed assets	-	(1,991)
Deferred tax benefit	(91,602)	(6,144)
Stock-based compensation	38,956	115,024
Increase/(decrease) in cash attributable to changes in operating assets and liabilities:		
Accounts receivable – trade, net	(443,480)	317,975
Inventories	(278,319)	(812,597)
Other current assets	(160,848)	51,430
Prepaid income taxes	(29,700)	74,871
Accounts payable – trade	1,078,034	217,754
Accrued expenses	(1,019,030)	221,997
Income taxes payable	-	(45,983)
Accrued environmental costs	544	13,918
Net Cash Used In Operating Activities	(889,132)	(354,655)
Cash Flows From Investing Activities:		
Purchases of property and equipment	(2,077,222)	(231,647)
Deposits on property and equipment	(8,943)	(2,769,519)
Proceeds from sale of fixed assets	-	65,458
Net Cash Used In Investing Activities	(2,086,165)	(2,935,708)
Cash Flows From Financing Activities:		
Repayments of obligations under capital leases	(6,233)	(88,221)
Proceeds from borrowings	2,097,929	148,102
Repayments of loan payable	(35,113)	(7,412)
Net Cash Provided By Financing Activities	2,056,583	52,469
Effect of foreign currency translation	52,037	(88,895)
Decrease in cash and cash equivalents	(866,677)	(3,326,789)
Cash and cash equivalents, beginning of period	2,581,499	6,463,894
Cash and cash equivalents, end of period	\$ 1,714,822	\$ 3,137,105
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the period for:		
Income taxes	\$ 307,818	\$ 4,580
Interest	\$ 6,400	\$ 4,917
Supplemental Disclosure of Non-cash Investing and Financing Activities:		
Deposits on property and equipment transferred to property and equipment	\$ 4,649,113	\$ -

EXHIBIT B - FINANCIAL INFORMATION FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

Kreisler Manufacturing Corporation and Subsidiaries
Consolidated Balance Sheets

June 30,	2010	2009
Assets		
Cash and cash equivalents	\$ 2,581,499	\$ 6,463,894
Accounts receivable – trade (net of \$20,000 allowance for uncollectible accounts at June 30, 2010 and 2009)	1,765,174	1,790,145
Inventories	7,076,417	6,567,490
Deferred tax asset	36,939	39,713
Other current assets	186,022	261,277
Prepaid income taxes	1,800	158,886
Total current assets	11,647,851	15,281,405
Property and equipment, net	1,688,721	2,334,617
Deposits on property and equipment	4,266,683	292,508
Deferred tax asset	713,065	322,390
Total non-current assets	6,668,469	2,949,515
TOTAL ASSETS	\$ 18,316,320	\$ 18,230,920
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable – trade	\$ 1,814,683	\$ 1,363,217
Accrued expenses	1,491,759	551,135
Income taxes payable	-	43,466
Obligation under capital leases, current portion	6,233	80,152
Loan payable, current portion	47,247	-
Total current liabilities	3,359,922	2,037,970
Obligation under capital leases, net of current portion	-	18,869
Loan payable, net of current portion	82,155	-
Accrued environmental costs	481,786	463,246
Total long-term liabilities	563,941	482,115
Commitments and contingencies	-	-
Stockholders' equity		
Common stock, \$.125 par value; 6,000,000 shares authorized; 1,867,948 shares issued and outstanding at June 30, 2010 and 2009	233,494	233,494
Additional paid-in capital	1,349,824	1,221,814
Retained earnings	13,375,246	14,332,950
Accumulated other comprehensive loss	(566,107)	(77,423)
Total stockholders' equity	14,392,457	15,710,835
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 18,316,320	\$ 18,230,920

Kreiser Manufacturing Corporation and Subsidiaries
Consolidated Statements of Operations

Years ended June 30,	2010	2009
Net sales	\$ 23,695,951	\$ 26,423,295
Cost of goods sold	22,341,256	22,913,399
Selling, general and administrative expenses	2,331,965	3,079,506
Total costs and expenses	24,673,221	25,992,905
(Loss)/income from operations	(977,270)	430,390
Interest and other income	8,222	73,376
Interest and other expenses	(26,124)	(38,103)
Realized gain on sale of assets	1,991	7,319
Foreign currency exchange adjustments	(30,448)	219,756
(Loss)/income before income tax benefit/(expense)	(1,023,629)	692,738
Income tax benefit/(expense)	65,925	(154,534)
Net (loss)/income	\$ (957,704)	\$ 538,204
<i>Net (loss)/income per common share:</i>		
Net (loss)/income – basic	(\$0.51)	\$0.29
Net (loss)/income – diluted	(\$0.51)	\$0.29
Weighted average common shares – basic	1,867,948	1,867,948
Weighted average common shares – diluted	1,867,948	1,868,147

Kreiser Manufacturing Corporation and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Income/(Loss)
Years ended June 30, 2010 and 2009

	<u>Common Stock Outstanding</u>		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
	Shares	Amounts				
Balances, July 1, 2008	1,867,948	\$ 233,494	\$ 1,062,736	\$ 13,794,746	\$ 458,425	\$ 15,549,401
Comprehensive income:						
Net income				538,204		538,204
Foreign currency translation adjustment ⁽¹⁾					(535,848)	(535,848)
Total comprehensive income						<u>2,356</u>
Stock-based compensation			159,078			159,078
Balances, June 30, 2009	1,867,948	233,494	1,221,814	14,332,950	(77,423)	15,710,835
Comprehensive loss:						
Net loss				(957,704)		(957,704)
Foreign currency translation adjustment ⁽²⁾					(488,684)	(488,684)
Total comprehensive loss						<u>(1,446,388)</u>
Stock-based compensation			128,010			128,010
Balances, June 30, 2010	1,867,948	\$ 233,494	\$ 1,349,824	\$ 13,375,246	\$ (566,107)	\$ 14,392,457

⁽¹⁾ Net of tax benefit \$357,231

⁽²⁾ Net of tax benefit \$325,791

Kreiser Manufacturing Corporation and Subsidiaries
Consolidated Statements of Cash Flows

Years ended June 30,	2010	2009
Cash Flows From Operating Activities:		
Net (loss)/income	\$ (957,704)	\$ 538,204
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Depreciation and amortization	778,317	704,082
Realized gain on disposition of fixed assets	(1,991)	(7,319)
Deferred tax benefit	(62,111)	(69,486)
Stock-based compensation	128,010	159,078
Increase/(decrease) in cash attributable to changes in operating assets and liabilities:		
Accounts receivable – trade, net	27,258	207,636
Inventories	(573,846)	522,125
Other current assets	78,713	344,672
Prepaid income taxes	157,086	(158,886)
Accounts payable – trade	466,060	(432,857)
Accrued expenses	1,087,347	(250,397)
Deferred revenue	-	(1,259,505)
Income taxes payable	(43,466)	4,448
Accrued environmental costs	18,540	18,539
Net Cash Provided By Operating Activities	1,102,213	320,334
Cash Flows From Investing Activities:		
Foreign grant for property and equipment placed in service	369,083	
Purchases of property and equipment	(434,086)	(1,135,562)
Deposits on property and equipment	(4,731,768)	(314,303)
Proceeds from sale of fixed assets	65,458	7,319
Proceeds from long-term investments	-	700,000
Net Cash Used In Investing Activities	(4,731,313)	(742,546)
Cash Flows From Financing Activities:		
Repayments of obligations under capital leases	(92,788)	(157,006)
Proceeds from borrowings	148,102	-
Repayments of loan payable	(18,700)	-
Net Cash Provided By/(Used In) Financing Activities	36,614	(157,006)
Effect of foreign currency translation	(289,909)	(200,453)
Decrease in cash and cash equivalents	(3,882,395)	(779,671)
Cash and cash equivalents, beginning of period	6,463,894	7,243,565
Cash and cash equivalents, end of period	\$ 2,581,499	\$ 6,463,894
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for:		
Income taxes	\$ 43,302	\$ 375,153
Interest	\$ 7,584	\$ 60,563
Supplemental Disclosure of Non-cash Investing and Financing Activities:		
Deposits on property and equipment transferred to property and equipment	\$ 133,975	\$ 21,625