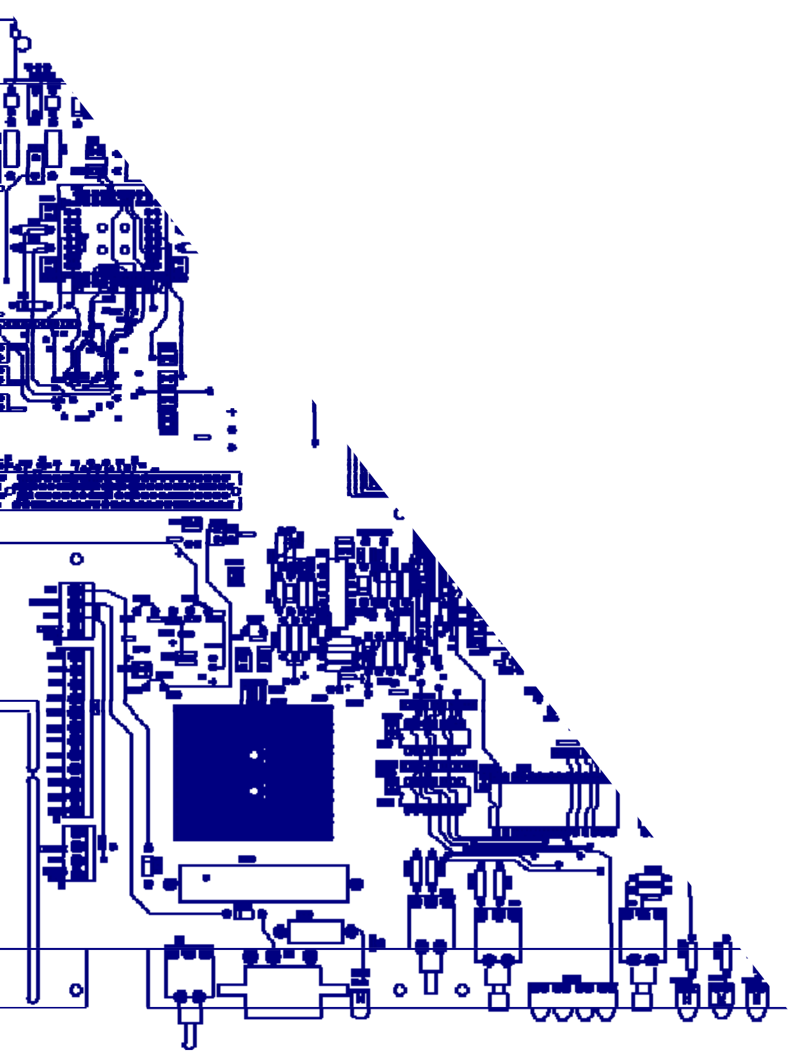

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ETC The Voice of the Network ®

2012 Annual Report

Electronic Tele-Communications, Inc.

A LETTER TO SHAREHOLDERS

A twenty percent increase in sales helped ETC generate a one hundred percent increase in earnings from operations in 2012. This was ETC's best year of operating results in many years. Sales were the highest they have been since 2007, and net earnings the highest in over 10 years. Our market segments are improving, and we are generating positive cash flow. These positive results will provide ETC more flexibility in both marketing and engineering. We still have debt to repay and the market remains somewhat erratic and therefore unpredictable, but 2012 was a good year and early indications are that 2013 will be good as well.

ETC produces and supports sophisticated, quality and reliable products with thousands of our systems operating throughout North America and the world. Although we have seen improved sales the last two years, the fact remains that many installed systems, both ours and others, are well beyond their expected useful lives. Much of the wire line equipment currently installed in the telephone industry was installed before 2000, some of it back to the 1980's. The age of this equipment makes it increasingly difficult for our customers to obtain parts and maintain the older equipment. At the same time, we have seen some of our competitors leave our market, further limiting the ability of our customers to maintain their installed base of equipment. All of these factors support our belief that there is a market for upgrades, replacements, and enhancements. Our flagship Emcee Elf System, available in multiple configurations, meets or exceeds the requirements of our customers and provides the ability for our customers to offer additional services to their customers, more economically than if they had to purchase multiple independent systems.

ETC's Time Weather and Temperature (TWT) announcement services continue to be provided to customers throughout the United States, with approximately a million calls answered by ETC's TWT equipment daily. ETC provides the TWT announcers, the professionally recorded announcements and advertisements, and the weather forecasts updated twice a day. Whether a telephone company is providing this service as a public service to its customers or a business is using this service as an advertising medium, there is no question that a lot of people listen to ETC time, temperature, and weather announcements every day. This service is especially important for those individuals who do not have the option or ability or desire to get this information via the internet or other channels.

In accordance with the provisions of our Articles of Incorporation, both the Class A and Class B shareholders will vote on the election of directors and on any other business to be conducted at this year's annual meeting on May 3, 2013. Annual meeting materials will be available March 22, 2013 to Shareholders of Record on March 5, 2013. Shareholders can download the annual meeting materials consisting of this annual report, a proxy statement, and proxy voting instructions and materials from ETC's website at http://www.etcia.com/financial_request.asp. Our Registered Transfer Agent will compile the Class A votes and forward the results to ETC's Corporate Secretary to be merged with the Class B votes being compiled by ETC's Corporate Secretary. All shareholders are entitled to vote, one vote for each share of Class A or Class B stock that they own.

We have been providing telephone announcement solutions for nearly 80 years, and expect to provide these solutions for many more years. Although we are always looking for ways to expand beyond the telephone industry, we believe this industry is still vital and it remains the primary segment of our business. We will continue to control expenses, and look forward to improvements in sales as economic and market conditions continue to improve.

Dean W Danner

Dean W. Danner, P.E. - President & CEO
March 1, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis should be read in conjunction with the Financial Statements, Notes to Financial Statements, Five Year Review of Selected Financial Data, and Quarterly Financial Data, all of which appear later in this report.

OVERVIEW

ETC designs, manufactures, markets and sells digital voice information systems and related services to the telecommunications industry and other businesses. Its systems are sold to operating telephone companies, competitive local exchange carriers, wireless carriers, cable companies, leading telecom manufacturers, and other telecom companies to provide them with revenue generating applications and informational services for their networks. In addition, ETC provides time weather temperature systems and related services to telecom customers and other businesses that allow them to advertise and provide informational services to their communities.

Revenues are generated by selling and leasing equipment to customers. In addition, ETC generates revenue by providing services to customers such as installation, repair, maintenance, professional recording of announcements, and weather updates.

Over the last ten years, ETC and the telecommunications industry has seen a slowdown caused by over-capacity in industry infrastructure. This over-capacity, combined with expansion into wireless, broadband, and television, caused customers to delay their purchases of capital equipment for their wired networks where many of ETC's products are deployed. Over the last decade, ETC has adjusted its size, realigned its operations, and cut costs several times. 2012 saw another increase in activity in the wired side of the telecommunications industry and ETC was able to be profitable in the first, third and fourth quarters and for the year. We will continue to monitor our sales levels and operations to determine if additional adjustments are necessary to consistently enhance our profitability and cash flow.

RESULTS OF OPERATIONS

The following table presents certain items from our Statements of Operations, expressed as percentages of net sales, together with the percentage change in the actual amounts of such items from the prior period.

	Percentage of Net Sales 2012	2011	Percent Change Increase (Decrease) 2012 vs. 2011
Net sales	100.0%	100.0%	20.4%
Cost of products sold	48.2	50.7	14.3
Gross profit	51.8	49.3	26.6
General and administrative expenses	16.1	16.2	20.0
Marketing and selling expenses	11.8	12.7	12.2
Research and development expenses	13.1	13.3	18.3
Other income (expense)	(1.4)	(1.7)	(0.9)
Earnings before income taxes	9.5	5.4	109.2
Income taxes (benefit)	--	--	--
Net earnings	9.5	5.4	109.2

Revenues

Net sales were $1,994,943 in 2012 and $1,657,407 in 2011, an increase of 20.4% between years. The 2012 net sales consisted primarily of equipment sales of $1,095,921 or 54.9% of net sales, and revenues from operating leases, sales-type leases and services of $899,022 or 45.1% of net sales. The 2011 net sales consisted primary of equipment sales of $692,382 or 41.8% of net sales, and revenues from operating leases, sales-type leases, and services of $965,025 or 58.2% of net sales.

The majority of sales of our interactive voice information systems were from existing customers implementing network maintenance projects. ETC expects our customers to focus their capital spending in broadband expansion before investing in wire line operations, where ETC network equipment has mainly been deployed. We continue to see an increase in quotation activity for new systems, but it is not possible to predict the success rates in turning these quotations into sales.

As newer units replace older time weather temperature systems that are leased by other customers, lease revenues decrease. It is anticipated that lease revenue will continue to decrease, but will be replaced in part by revenue from increased services provided with respect to the new time weather temperature systems that replace the leased units.

Product pricing for our equipment remained relatively constant between years. Inflation did not have a material impact on revenues.

Gross Profit

Gross profit was 51.8% of net sales in 2012 compared to 49.3% of net sales in 2011. The increase in 2012 gross profit was due to higher equipment sales over which to spread fixed manufacturing costs. It is possible that the lower levels of manufacturing and service personnel from prior cost reductions could hamper our ability to meet customer demand should sales volumes increase in the future. However, if this occurs we believe we will be able to hire additional personnel to meet our needs.

Operating Expenses

Total operating expenses in 2012 were $816,657 or 40.9% of net sales, compared to $698,144 or 42.1% of net sales in 2011. General and administrative expenses were up primarily due to increased legal fees associated with trademark renewals. Marketing and selling expenses were up due to increased commissions on increased equipment sales. Research and development expense increases were related to independent laboratory product testing.

Cost reduction programs and staff downsizing implemented beginning in 2001 and continuing through 2012 have reduced our workforce by approximately 85% since 2001 and included all departments within ETC. While our staffing levels are sufficient at the current sales volume, we may have to add staff in the future should sales volume increase.

Despite the sizable reductions in sales and engineering personnel, we believe we have sufficient staff to accomplish our current sales and product development goals. We have adequate sales personnel in place to service our customers' needs and develop opportunities for new sales of products and services. The company expects to increase sales through alternate sales channels. We also have sufficient engineers on staff to add new features to our existing products that are intended to increase future sales volume. However, even though new product and feature development is continuing, it has been slowed by the staff reductions.

Other Income and Expense

Net other expense in 2012 was $28,218, compared to $28,472 in 2011. The decrease between years of net other expenses was due to less interest expense incurred on borrowings.

Income Taxes

Income tax expense was $0 in 2012 and $0 in 2011.

Net Earnings and Earnings Per Share

Net earnings in 2012 were $189,201, compared to $90,002 in 2011. Higher equipment sales over which to spread fixed costs and continuing control of operating expenses contributed to the increase in earnings in 2012.

LIQUIDITY AND CAPITAL RESOURCES

Working capital was ($365,359) at December 31, 2012, compared to ($510,331) at December 31, 2011. The increase in working capital in 2012 was primarily due to the net earnings and payback of borrowings on the line of credit.

Capital expenditures were $6,768 in 2012 and $2,182 in 2011. The capital expenditures in 2012 consisted primarily of computer equipment upgrades.

Accounts receivable increased from $158,697 in 2011 to $182,216, primarily due to timing of collections and end of the year sales. Inventories increased from $175,172 in 2011 to $185,365 due to increased inventory requirements for higher sales levels and the timing of end of year bookings. New systems are now sold to the customer or leased by the customer through a third party lessor. Accounts payable increased from $44,085 in 2011 to $53,615 in 2012 primarily due to purchases for end of year equipment sales and timing differences.

To supplement cash flow, the Company has an agreement with an entity controlled by affiliates of the Company for up to $200,000 of borrowing availability. As of December 31, 2012, the Company had cash borrowings of $115,000 on this revolving credit facility. Additionally as of December 31, 2012, the Company has unpaid rent due to the same entity totaling $535,207.

Management is cautiously optimistic that market conditions and demand for the Company's products will improve and that the Company's operations will remain profitable and generate sufficient internal cash flow to support operations at the current expense levels. If the Company is able to increase its sales volume, additional financing in the form of internally generated cash flow and/or third-party financing may be required to finance increases in inventory and accounts receivable. Management believes the Company's current operating structure will enable the Company to continue operations for the foreseeable future. However, there can be no assurance that any or all of these items will be accomplished.

Contractual Obligations

ETC has contractual obligations for operating leases for its facilities in Waukesha, Wisconsin. The lease ends in 2015. Future minimum lease payments as of December 31, 2011, for the facility are as follows:

2013	$	156,000
2014		162,000
2015		168,000
Total	$	486,000

We treat these contractual obligations as normal operating expenses and plan to fund them with internally generated cash flow. Our ability to do this will depend on achieving the sales levels necessary to reach cash flow breakeven levels. There are no assurances that this can be accomplished.

ETC does not have any contractual obligations for purchases of materials from vendors used in the manufacture of our products for 2013 or future years.

Critical Accounting Estimates

There are a few areas of our financial statements that require us to use accounting estimates to comply with generally accepted accounting principles. These accounting estimates are made using our best judgment and may vary from actual results. Critical accounting estimates are used in the following areas:

Accounts Receivable -- Accounts receivable are reduced by an allowance for amounts that may become uncollectible in the future. The estimated allowance for uncollectible accounts is based primarily on a specific analysis of accounts in the receivable portfolio and historical write-off experience. While we believe the allowance to be adequate, if the financial condition of our customers were to change resulting in impairment of their ability to make payments, additional allowances may be required.

Inventory -- Our inventories are valued at the lower of cost or market value. We periodically review inventory quantities on hand and record a provision for excess and/or obsolete inventory based primarily on our estimated forecast of product demand, as well as historical usage. Our industry is characterized by rapid technological change and frequent new product development, both of which could result in an increase in the amount of obsolete inventory quantities on hand. In such a case, there is a possibility that the reserve for excess or obsolete inventory may need to be adjusted in the future. Any significant unanticipated change in demand or technological developments could have a significant impact on the value of our inventory, the reserve required, and our future reported operating results.

Income Taxes -- The preparation of our financial statements requires us to estimate our current tax exposure together with assessing temporary differences between the carrying amounts of various assets and liabilities for financial reporting purposes and income tax purposes. These timing differences result in the recognition of deferred tax assets and liabilities to which we must record a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized.

Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, and any valuation allowance recorded against the deferred tax assets. We have recorded a full valuation allowance against our deferred tax assets of $2,427,000 as of December 31, 2012 and $2,519,000 as of December 31, 2011, due to our uncertainties related to our ability to utilize these assets because of our financial losses in prior years.

In the event actual results differ from our estimates, or we adjust our estimates in future periods, we may need to adjust our valuation allowance, which would materially impact our financial position and results of operations. If we are profitable in future years, our net operating loss carryforwards, which are our primary deferred tax assets, could be realized and our valuation allowance would be reduced and used to offset future income tax expense.

Independent Accountants

As a part of our efforts to reduce expenses, the Board of Directors has opted to not have the 2012 or 2011 financial statements reviewed by our independent accountants. We have had consultations with our independent accountants regarding accounting matters, however they have not been engaged to report or otherwise express any assurance on our 2012 or 2011 financial statements. All internal accounting procedures and reporting remains unchanged, including the quarterly review by all senior management of the financial disclosures and procedures.

Forward Looking Information

From time to time, information provided by ETC, statements made by its employees, and information included in its press releases and other public statements which are not historical facts are forward-looking in nature and relate to trends and events that may affect our future financial position and operating results. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties including, but not limited to: business conditions in the telecommunications industry, the length and severity of the recent worldwide recession and the timing and strength of a subsequent recovery, the Company’s ability to achieve adequate sales levels or sufficient cash flow or cash reserves to support operations, technology changes, backlog, status of the economy, government regulations, sources of supply, expense structure, product mix, major customers, competition, litigation, and other risk factors. Investors are encouraged to consider the risks and uncertainties.

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2012, 2011, AND 2010 - UNAUDITED

	2012	2011	2010
NET SALES (Note 14)	$ 1,994,943	$ 1,657,407	$ 1,658,605
COST OF PRODUCTS SOLD	960,867	840,789	904,697
GROSS PROFIT	1,034,076	816,618	753,908
OPERATING EXPENSES:			
General and administrative	320,282	267,703	283,997
Marketing and selling	235,808	210,111	217,019
Research and development	260,567	220,330	224,442
Restructuring charge (Note 17)	-	-	35,151
	816,657	698,144	760,609
EARNINGS (LOSS) FROM OPERATIONS	217,419	118,474	(6,701)
OTHER INCOME (EXPENSE):			
Interest expense	(29,808)	(30,050)	(31,790)
Interest and dividend income	1,590	1,578	1,550
EARNINGS (LOSS) BEFORE INCOME TAXES	189,201	90,002	(36,941)
Income taxes (benefit) (Note 7)	-	-	-
NET EARNINGS (LOSS)	189,201	90,002	(36,941)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Unrealized gains (losses) on available for sale investments	3,606	(27,784)	(34,121)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 192,807	$ 62,218	$ (71,062)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (Notes 11, 12 and 13):			
Class A common	$ 0.08	$ 0.04	$ (0.01)
Class B common	$ 0.08	$ 0.04	$ (0.01)

The accompanying notes are an integral part of these financial statements.

BALANCE SHEETS
YEARS ENDED DECEMBER 31, 2012 AND 2011 - UNAUDITED

	2012	2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	**$ 253,397**	$ 124,031
Available for sale investments (Note 2)	**67,494**	63,888
Trade accounts receivable, less allowance for doubtful accounts of $19,100 in 2012 and $23,800 in 2011	**182,216**	158,697
Inventories (Note 3)	**185,365**	175,172
Prepaid expenses and other current assets	**7,404**	7,943
Total current assets	**695,876**	529,731
PROPERTY, PLANT AND EQUIPMENT (Note 4)	**8,571**	5,020
Total Assets	**$ 704,447**	$ 534,751
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Revolving credit facility - related party (Note 8)	**$ 649,307**	$ 683,707
Accounts payable	**53,615**	44,085
Accrued expenses (Note 6)	**255,392**	201,581
Income taxes payable	**5,520**	7,956
Deferred revenue and customer deposits	**53,117**	58,449
Current portion of deferred gain on sale of building (Note 5)	**11,302**	11,302
Current portion of deferred rent (Note 5)	**32,982**	32,982
Total current liabilities	**1,061,235**	1,040,062
DEFERRED GAIN ON SALE OF BUILDING (Note 5)	**22,604**	33,906
DEFERRED RENT (Note 5)	**65,963**	98,945
Total liabilities	**1,149,802**	1,172,913
COMMITMENTS (Note 5)		
STOCKHOLDERS' DEFICIT (Notes 11 and 12):		
Preferred stock, authorized 5,000,000 shares, none issued	**-**	-
Class A common stock, authorized 10,000,000 shares, par value $.01, issued and outstanding 2,009,149 shares	**20,091**	20,091
Class B common stock, authorized 10,000,000 shares, par value $.01, issued and outstanding 499,998 shares	**5,000**	5,000
Additional paid-in capital	**3,335,647**	3,335,647
Accumulated other comprehensive income	**67,494**	63,888
Retained earnings (deficit)	**(3,873,587)**	(4,062,788)
Total stockholders' deficit	**(445,355)**	(638,162)
Total Liabilities and Stockholders' Deficit	**$ 704,447**	$ 534,751

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012, 2011, AND 2010 - UNAUDITED

	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings (loss)	**$ 189,201**	$ 90,002	$ (36,941)
Adjustments to reconcile net loss to			
net cash provided by (used in) operating activities:			
Depreciation and amortization	**3,217**	3,915	14,229
Gain from sale of property, plant and equipment	**(11,302)**	(11,302)	(19,486)
Changes in operating assets and liabilities:			
Accounts receivable	**(23,519)**	(78,138)	(37,612)
Inventories	**(10,193)**	31,041	99,077
Net investment in sales-type leases	**-**	-	197
Prepaid expenses and other current assets	**539**	(575)	2,955
Accounts payable and accrued expenses	**63,341**	(47,629)	(37,498)
Deferred rent	**(32,982)**	(32,982)	164,908
Income taxes payable	**(2,436)**	(831)	(1,235)
Unpaid rent - related party	**10,600**	81,270	(75,020)
Deferred revenue and customer deposits	**(5,332)**	(3,533)	(6,720)
Total adjustments	**(8,067)**	(58,764)	103,795
Net cash provided by operating activities	**181,134**	31,238	66,854
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	**(6,768)**	(2,182)	-
Capitalized software production costs	**-**	-	-
Net cash used in investing activities	**(6,768)**	(2,182)	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings (payments) on revolving credit facility, net	**(45,000)**	-	-
Net cash used in financing activities	**(45,000)**	-	-
Net increase in cash and cash equivalents	**129,366**	29,056	66,854
Cash and cash equivalents at beginning of year	**124,031**	94,976	28,122
Cash and cash equivalents at end of year	**$ 253,397**	$ 124,032	$ 94,976
Supplemental disclosures of cash flow information:			
Cash paid for income taxes	**$ 2,436**	$ 831	$ 1,235
Cash paid for interest expense	**29,536**	30,361	31,437

The accompanying notes are an integral part of these financial statements.

STATEMENT OF STOCKHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 2012, 2011, AND 2010 - UNAUDITED

	Common Stock (Note 11)					Accumulated		Total
	Class A		Class B		Additional	Other	Retained	Stock-
	Number		Number		Paid-in	Comprehensive	Earnings	holders'
	of Shares	Amount	of Shares	Amount	Capital	Income (Loss)	(Deficit)	Deficit
Balances at January 1, 2010	2,009,149	$ 20,091	499,998	$ 5,000	$ 3,335,647	$ 125,793	$ (4,115,849)	$ (629,318)
Net loss	-	-	-	-	-	-	(36,941)	(36,941)
Unrealized gain on investments	-	-	-	-	-	(34,121)	-	(34,121)
Comprehensive loss	-	-	-	-	-	-	-	(71,062)
Balances at December 31, 2010	2,009,149	20,091	499,998	5,000	3,335,647	91,672	(4,152,790)	(700,380)
Net loss	-	-	-	-	-	-	90,002	90,002
Unrealized loss on investments	-	-	-	-	-	(27,784)	-	(27,784)
Comprehensive loss	-	-	-	-	-	-	-	62,218
Balances at December 31, 2011	2,009,149	20,091	499,998	5,000	3,335,647	63,888	(4,062,788)	(638,162)
Net earnings	**-**	**-**	**-**	**-**	**-**	**-**	**189,201**	**189,201**
Unrealized loss on investments	**-**	**-**	**-**	**-**	**-**	**3,606**	**-**	**3,606**
Comprehensive gain	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**192,807**
Balances at December 31, 2012	**2,009,149**	**$ 20,091**	**499,998**	**$ 5,000**	**$ 3,335,647**	**$ 67,494**	**$ (3,873,587)**	**$ (445,355)**

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company designs, manufactures, and markets digital voice information systems and related services. The Company's equipment provides a wide range of audio and computer information and call handling capabilities via telephone networks, computer networks, and the Internet. The Company's digital voice information systems deliver network interoperability and revenue-generating applications. Branding, time and temperature announcements, and weather forecasts are among the applications designed to increase customers' name recognition and market presence. Additionally, revenue-generating applications such as automatic callback, changed number with call completion, repeat dialing, and wake-up/reminder services enables providers to differentiate themselves from their competition. Services include professional recording, turn-key installations, on-site trainings, and 24-hour technical support.

The Company's customers include Regional Bell Operating Companies (RBOCs), Competitive Local Exchange Carriers (CLECs), independent telephone companies, long distance companies, wireless carriers, cable companies, utilities, leading telecommunications manufacturers, and other businesses and organizations.

The Company was incorporated in Wisconsin in 1980. The Company's executive officers, together with manufacturing, engineering, marketing, sales, and technical services are located in Waukesha, Wisconsin.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates and are subject to change in the near term.

Management considers its estimates related to inventory valuation, impairment evaluations for fixed assets, valuation of deferred tax assets, and allowance for doubtful accounts to be significant estimates.

Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities that the Company does not necessarily intend to hold until maturity and that were not purchased for the purpose of selling the securities in the near term are classified as available for sale securities. Available for sale securities are reported at fair value with unrealized gains and losses reported in accumulated other comprehensive income (loss).

Fair Value Measurements

A three-tier hierarchy prioritizes the inputs used in measuring fair value as follows: Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurements.

Trade Accounts Receivable and Concentration of Credit Risk

Trade accounts receivable are customer obligations due on normal trade terms requiring payment within 30 days from the invoice date. Payments of trade accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of trade accounts receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 60 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected.

The Company's sales are concentrated primarily in the domestic telecommunications industry. The Company performs periodic credit evaluations of its customers' financial condition and does not require collateral.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. For financial reporting purposes, depreciation and amortization is provided using the straight-line method over estimated useful lives of three to five years.

The Company leases certain voice announcement equipment to certain customers for terms of one month to three years with renewal options on a month-to-month basis. All such leases are treated as operating leases. The leased equipment is stated at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the equipment.

Capitalized Software Production Costs
Software production costs incurred related to internally developed software products, enhancements, and purchased software to be sold, leased, or otherwise marketed are capitalized once technological feasibility of the software product has been established. Capitalization ends when the software product is available for general release. Software production costs incurred up to the time technological feasibility is established are considered research and development costs and are expensed as incurred.

Capitalized software production costs are amortized on a straight-line basis over the remaining estimated economic life of the product. Capitalized software production costs are reported at the lower of unamortized costs or net realizable value. The net realizable value of the capitalized software production costs is evaluated for all periods after capitalization.

Immaterial software product costs are not capitalized. The Company had no unamortized software production costs at December 31, 2012 or 2011. Amortization expense of software production costs, which are included in costs of products sold in the statements of operations, were $0, $0, and $8,870 for 2012, 2011 and 2010, respectively.

Long-lived Assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and carrying value of the asset or group of assets. Such analyses necessarily involve significant judgment. No impairment was recorded for 2012, 2011, or 2010.

Income Taxes
Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred income taxes related primarily to differences between the bases of certain assets and liabilities for financial statement and income tax purposes. The deferred income tax benefits and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. If full realization is not expected, a deferred income tax valuation allowance will be recorded. Deferred income tax benefits also are recognized for operating losses that are available to offset future taxable income and tax credits that are available to offset future income taxes.

Revenue Recognition
The Company sells and leases equipment and related services. Terms of sale are documented on purchase orders and sales agreements. There are no multi-element contracts. Revenue from equipment and software sales is recognized at the time of shipment. Revenue from operating leases of time/weather/temperature equipment is recognized on a monthly basis as the monthly lease amount is billed to the customer. Revenue from services is recognized when the related service is provided. Revenue from the sale of maintenance contracts is deferred and recognized evenly over the term of the contract.

Sales of the Company's Audichron® 410 and Audichron® Z-10 interactive systems are accounted for as sales-type leases. Revenue is recognized upon shipment of these systems to the customer. The difference between the expected minimum payments and the revenue recognized for each agreement is unearned revenue. The unearned revenue is amortized over the term of each agreement using the effective interest method.

Revenue from sales-type leases, operating leases and services was approximately 45%, 58%, and 63% of total revenue in 2012, 2011, and 2010, respectively.

Shipping and Handling
Revenue received from and costs incurred for shipping and handling are reported in cost of products sold. Revenue received from shipping and handling fees were $1,919, $3,741, and $3,382, in 2012, 2011, and 2010, respectively. Costs incurred for shipping and handling were $2,239, $3,201, and $2,972, in 2012, 2011, and 2010, respectively.

Research and Development
Research and development costs related to the design and development of new products are expensed as incurred.

Variable Interest Entities
GAAP requires an entity to consolidate a variable interest entity if that enterprise has a variable interest (or combination of variable interests) that will absorb a majority of the entity's expected losses if they occur, receive a majority of the entity's expected residual returns if they occur, or both. In addition, the GAAP requires an entity that holds significant variable interest in a variable interest entity, but is not the primary beneficiary, to disclose certain information. Currently, the Company leases real estate from an affiliated entity and borrows money under a revolving credit facility from the same affiliated entity. Based on management's review of the affiliated entity and the Company's transactions with it, the Company is not required to consolidate or disclose further information.

Subsequent Events
Subsequent events were evaluated through March 22, 2013 which is the date the financial statements were issued.

2. AVAILABLE FOR SALE INVESTEMENTS

Available for Sale Investments are comprised of corporate equity securities. Because the cost basis of the available for sale securities is zero, the cumulative net unrealized gain equals the fair value. Fair value is derived from the quoted market price in an active market (level 1). Information as of and for the years ended December 31, 2012, 2011, and 2010, is summarized as follows:

	2012	2011	2010
Securities available for sale:			
Cost of equity securities	$ 0	$ 0	$ 0
Cumulative net unrealized gain as reported in accumulated other comprehensive income, beginning of year	63,888	91,672	125,793
Current year unrealized net gain (loss) included in comprehensive income (loss)	3,606	(27,784)	(34,121)
Cumulative net unrealized gain as reported in accumulated other comprehensive income (loss), end of year	$ 67,494	$ 63,888	$ 91,672

3. INVENTORIES

Inventories consisted of the following at December 31:

	2012	2011
Raw materials and supplies	$ 95,895	$ 98,399
Work-in-process and finished goods	44,654	24,487
Maintenance and demo parts	73,130	70,788
Reserve for obsolescence	(28,314)	(18,502)
Total Inventories	$ 185,365	$ 175,172

The Company has determined that certain inventories are obsolete or are in excess of anticipated future demand. Accordingly, the Company has recorded a reserve for obsolescence as indicated above. The Company will continue to evaluate these inventories and will adjust the reserve as needed in the future. Accordingly, this significant estimate is subject to change in the near term.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at December 31:

	2012	2011
Equipment and furniture	$ 1,564,513	$ 1,563,038
Accumulated depreciation and amortization	(1,555,942)	(1,558,018)
Net property, plant and equipment	$ 8,571	$ 5,020

5. LEASE COMMITMENTS

On July 18, 2001, the Company entered into a sale leaseback transaction with an entity controlled by affiliates of the Company for the building and associated land located in Waukesha, Wisconsin, the Company's office and manufacturing facility. The leaseback transaction has been accounted for as an operating lease. A gain of $576,379 was realized on the transaction. The gain has been deferred and will be amortized to income in proportion to rental payments over the term of the lease. In 2012 and 2011 gains of $11,302 were recognized while in 2010 a gain of $19,486 was recognized.

The Company has leased the facility back from the buyer under a triple net lease which currently expires on December 31, 2015. The lease required monthly payments of $12,500 for 2012. The required monthly payment increases annually by approximately 4% starting in 2012. The Company is responsible for its share of operating costs as defined in the agreement.

As of December 31, 2012 and 2011, net deferred gain totaling $33,906 and $45,208, respectively, relating to the sale leaseback transaction is included in the accompanying financial statements.

Future minimum lease payments at December 31, 2012 for the Waukesha facility are as follows:

Year	Rental Payments
2013	$ 156,000
2014	162,000
2015	168,000
Total minimum lease payments	$ 486,000

As a result of the renegotiation of the lease for the Waukesha, Wisconsin facility, a rent credit of $178,650 was accrued and will be amortized over the term of the lease. The deferred rent credit totaled $98,945 and $131,927 as of December 31, 2012 and 2011, respectively. In 2012 and 2011 amortization of the deferred rent credit was $32,980 in both years, which is included as part of general and administrative expenses on the statements of operations.

Total rent expense for 2012, 2011, and 2010 was $117,018, $111,018, and $157,580, respectively.

6. ACCRUED EXPENSES

Accrued expenses consist of the following at December 31:

	2012	2011
Accrued wages and benefits	$ 123,435	$ 104,575
Directors fees	18,000	18,000
Other accrued professional fees	6,028	1,000
Product compliance testing	40,000	-
Product warranty reserve	15,000	18,486
State and local sales tax accrual	5,274	10,771
Other accrued expenses	47,655	48,749
Total accrued expenses	$ 255,392	$ 201,581

7. INCOME TAXES

Income tax expense consists of the following:

	2012	2011	2010
Current:			
Federal	$ -	$ -	$ -
State	-	-	-
Total current	-	-	-
Deferred	26,000	34,000	47,000
Benefit of net operating losses	66,000	14,000	(24,000)
Change in valuation reserve	(92,000)	(48,000)	(23,000)
Income tax expense (benefit)	$ -	$ -	$ -

A reconciliation of income taxes at the United States statutory rate to the effective tax rate follows:

	2012	2011	2010
Statutory rate	34.0%	34.0%	(34.0)%
State income taxes net of Federal benefit	4.2	4.4	(3.9)
Change in beginning of year deferred income tax	7.9	9.9	97.5
Change in deferred income tax valuation allowances	(48.6)	(52.7)	(62.3)
Other	0.0	4.4	2.7
Effective tax rate	0.0%	0.0%	0.0%

At December 31, 2012, the Company had federal net operating loss carryforwards of approximately $6,000,000 and research and development credits totaling $66,000 which are subject to federal regulations and limitations and expire at various times from 2012 to 2025. The carryforwards and credits, which expire in various years, are available to offset future federal taxable income and income taxes. The deferred income tax valuation allowance was adjusted as of the beginning of 2012 and 2011 to account for the expiration of state net operating loss carryforwards in 2012 and 2011 of approximately $384,000 and $230,000, respectively. The valuation reserve of $2,427,000 and $2,519,000 at December 31, 2012 and 2011, respectively, was provided because of uncertainty as to whether the net deferred tax asset would be realized, based on the Company's financial results. If the Company is profitable in future years, the valuation reserve will be reduced and used to offset income tax expense.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets as of December 31 are as follows:

	2012	2011
Deferred tax assets:		
Excess of book over tax depreciation	20,000	20,000
Net operating loss carryforwards	2,258,000	2,342,000
Inventories	37,000	39,000
Allowance for doubtful accounts	7,000	9,000
Research and development tax credit	66,000	66,000
Accrued charges and other	26,000	26,000
Deferred gain	13,000	17,000
Total deferred tax assets	2,427,000	2,519,000
Net deferred tax asset before valuation reserve	2,427,000	2,519,000
Valuation reserve	(2,427,000)	(2,519,000)
Net deferred tax asset	$ -	$ -

The Company has no income tax returns currently under examination by taxing authorities. The Company is not subject to federal and Wisconsin state examinations for years before tax years 2008 and 2007, respectively.

8. REVOLVING CREDIT FACILITY & UNPAID RENT - RELATED PARTY

On December 23, 2002, the Company signed a revolving credit facility renewal with esitec, LLC, an affiliate. The term of the revolving credit facility ended December 31, 2003, at which time it renewed automatically in consecutive one-year increments, provided that either party may terminate the revolving credit facility upon 45 days written notice. Under the revolving credit facility, the Company can borrow up to a maximum of $200,000. Interest is payable monthly at a rate of up to prime plus two percentage points as quoted in the Wall Street Journal (effective rate of 4.5% as of December 31, 2012),and any outstanding balances of principal and interest are due at the end of the term. The revolving credit facility is secured by trade accounts receivable. As of December 31, 2012 the Company had borrowings of $115,000 and as of December 31, 2011 of $160,000 under the revolving credit facility. Interest paid for borrowings on the revolving credit facility was $29,808, $30,050, and $30,038 for the years ending December 31, 2012, 2011, and 2010, respectively.

As of December 31, 2012 and 2011, unpaid rent due to esitec, LLC. totaled $534,307 and $523,707, respectively.

9. PROFIT SHARING PLAN

The Company has a profit sharing plan pursuant to Section 401(k) of the Internal Revenue Code, the "Code", whereby participants may contribute a percentage of compensation, but not in excess of the maximum allowed under the Code. Substantially all employees are eligible to participate. The plan provides for, and the Company expenses, Company matching contributions and additional discretionary contributions determined by the Board of Directors. There were no Company matching or additional discretionary contributions paid in 2012, 2011, and 2010.

10. STOCK OPTION PLAN

The Company has a 1999 Nonqualified Stock Option Plan whereby 175,000 shares of Class A common stock are authorized for granting of options to key employees of the Company as determined by the Compensation and Stock Option Committee of the Board of Directors. Options granted may be vested at the discretion of the Compensation and Stock Option Committee and expire ten years from date of grant. The exercise price is the average of the highest and lowest transaction prices of the stock on the date of grant. Options are cancelled upon termination of employment and that stock becomes available for future option grants. As of December 31, 2009, the 1999 Nonqualified Stock Option Plan expired with respect to granting of future options, and, accordingly, there are no shares eligible for future grants. Options outstanding under the 1999 Plan will remain in effect until they have been exercised or have expired or terminated.

All non-expired options were vested as of December 31, 2005.

Transactions with respect to the Company's stock option plans were as follows:

	2010		2011		2012	
	Option Shares	Weighted Average Exercise Price	Option Shares	Weighted Average Exercise Price	Option Shares	Weighted Average Exercise Price
Outstanding at beginning of year	80,900	$1.01	47,900	$0.29	39,000	$0.28
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Forfeited	(33,000)	2.06	(8,900)	0.30	(25,000)	0.22
Outstanding at end of year	47,900	0.29	39,000	0.28	14,000	0.40
Exercisable at end of year	47,900	0.29	39,000	0.28	14,000	0.40
Weighted average fair value of Options granted during the year		-		-		-

Exercise prices for options outstanding as of December 31, 2012 was $0.40. Additional information related to these options segregated by exercise price range is as follows:

Options outstanding	14,000
Weighted average exercise price of options outstanding	$0.40
Weighted average remaining contractual life of options outstanding	1.33 years
Options exercisable	14,000
Weighted average exercise price of options exercisable	$0.40

11. CAPITAL STOCK

The Company has two classes of common stock and has also authorized 5,000,000 shares of preferred stock.

In the event of liquidation, holders of Class A common stock are entitled to receive, after distribution of amounts due to holders of preferred stock, $3 per share (subject to adjustments for stock splits, stock dividends or similar events involving Class A common stock) before any distribution to holders of Class B common stock. After the payment of $3 per share to Class A common stockholders, the Class B common stockholders are entitled to receive $3 per share. Thereafter, the Class A and Class B common shareholders share equally in any further distributions.

The Company's Board of Directors has the authority and responsibility to determine the rate of dividend, liquidation value, and other preferences of the preferred stock upon issuance. No shares of preferred stock have been issued to date.

12. DIVIDENDS

The holders of Class A common stock, which is non-voting, are entitled to receive a non-cumulative annual cash dividend of $0.08 per share before any dividends may be paid to the holders of Class B common stock. Thereafter, any additional dividend in a fiscal year must be paid on the two classes of common stock on an equal basis. If the preferential dividend is omitted for three consecutive years, the Class A common stock is entitled to vote in the following year.

No dividends were declared or paid in 2012, 2011, and 2010. Because no dividends were paid for three years, as of January 1, 2013, holders of Class A common stock are entitled to vote at the Company's 2013 Annual Meeting on an equal basis with holders of its Class B common stock.

13. EARNINGS PER SHARE

Earnings (loss) are allocated equally per share to weighted average Class A shares, as adjusted for the dilutive effect of stock options using the treasury stock method, and weighted average Class B shares outstanding during the year. Earnings (loss) per Class A and Class B common share were computed, as shown in the table below, by adding dividends paid per Class A and Class B common share (distributed earnings) to undistributed earnings. The following table sets forth the computation of basic and diluted earnings per share:

	2012	2011	2010
Numerator for basic and diluted earnings (loss) per share:			
Net earnings (loss)	$ 189,201	$ 90,002	$ (36,941)
Denominator for basic and diluted earnings (loss) per share:			
Weighted average shares:			
Class A common	2,009,149	2,009,149	2,009,149
Class B common	499,998	499,998	499,998
Total	2,509,147	2,509,147	2,509,147
Calculation of basic and diluted earnings (loss) per share:			
Class A common:			
Basic and diluted earnings (loss) per share	$ 0.08	$ 0.04	$ (0.01)
Class B common:			
Basic and diluted earnings (loss) per share	$ 0.08	$ 0.04	$ (0.01)

Options to purchase shares of Class A common stock under the Company's Nonqualified Stock Option Plan were outstanding. However, these shares 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. The number of shares excluded from the computation was 14,000 for 2012, 39,000 for 2011, and 47,900 for 2010. See Note 10 for additional information regarding stock options.

14. ENTERPRISE INFORMATION

The Company operates as one reportable segment.

Geographic Information

Geographic information related to the Company's revenues and long-lived assets are as follows:

	Revenues (a)			Long-Lived Assets	
	Years Ended December 31,			December 31,	
	2012	2011	2010	2012	2011
United States	$ 1,915,898	$ 1,609,413	$ 1,638,296	$ 8,571	$ 5,020
Other countries	79,045	47,994	20,309	-	-
Total	$ 1,994,943	$ 1,657,407	$ 1,658,605	$ 8,571	$ 5,020

(a) Revenues are attributed to countries based on the location of customers.

Major Customers

	2012	Accounts Receivable	2011	Accounts Receivable	2010
	Sales	as of 12/31/12	Sales	as of 12/31/11	Sales
Customer A	11%	9%	19%	41%	12%
Customer B	*	*	*	18%	*
Customer C	*	*	*	15%	*
Customer D	30%	*	*	*	*
Customer E	*	16%	*	*	*

* Not a major customer at December 31

15. COMPANY OPERATIONS

The Company has sustained operating losses in prior years requiring the Company to use substantial amounts of working capital to fund its operations. The losses and use of working capital were a result of the significant decrease in sales caused by lower customer demand for the Company's products. The Company's customers have been severely impacted by slowing economic conditions, especially in the domestic telecommunications industry, which adversely impacted customers' buying decisions. These factors raise substantial doubt about the Company's ability to continue as a going concern.

To address the resultant cash flow requirements caused by the decrease in sales in previous years, the Company reduced its workforce through a combination of terminations and lay-offs. To supplement cash flow in the short-term, the Company maintains an agreement with an entity controlled by affiliates of the Company for up to $200,000 of borrowing availability. As of December 31, 2012, the Company had borrowings on this revolving credit facility of $115,000. The Company will continue to monitor its operations to determine if additional cost savings measures need to be implemented to improve cash flow.

Management is cautiously optimistic that market conditions and demand for the Company's products will improve and that the Company's revised operating structure will once again consistently be profitable and generate sufficient internal cash flow to support its operations at some point in the future. If the Company is able to increase its sales volume, additional financing in the form of internally generated cash flow and/or third-party financing may be required to finance increases in inventory and accounts receivables. Management believes the Company's operating structure should enable the Company to continue operations for the near term. However, there can be no assurances that any or all of these items will be accomplished.

The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

16. RELATED PARTY TRANSACTIONS

The Company leases its Waukesha facility from an entity controlled by affiliates of the Company. See Note 5 for additional information on this lease. In addition, the Company has a revolving credit facility from the same entity controlled by affiliates of the Company. See Note 8 for additional information on this revolving credit facility.

17. RESTRUCTURING COSTS

In 2010, as part of a cost reduction strategy, the Company reduced its workforce via layoffs and forced retirements. The total cost incurred of $35,151 was comprised of compensation and benefits. $2,080 was paid during 2011 and $33,077 was paid during 2010. There is $0 remaining accrued expenses on the balance sheet as of December 31, 2012 and 2011.

FIVE YEAR REVIEW OF SELECTED FINANCIAL DATA - UNAUDITED

For the Years Ended December 31,	**2012**	2011	2010	2009	2008
SUMMARY OF OPERATIONS:					
Net sales	**$ 1,994,943**	$ 1,657,407	$ 1,658,605	$ 1,560,723	$ 1,854,558
Cost of products sold	**960,867**	840,789	904,697	962,970	1,078,742
Gross profit	**1,034,076**	816,618	753,908	597,753	775,816
General and administrative	**321,182**	267,703	283,997	292,172	232,802
Marketing and selling	**235,808**	210,111	217,019	349,678	391,179
Research and development	**260,567**	220,330	224,442	279,635	270,362
Restructuring charge	**-**	-	(35,151)	-	-
Other income (expense)	**(28,218)**	(28,472)	(30,240)	(23,509)	(19,537)
Earnings (loss) before income taxes	**188,301**	90,002	(36,941)	(347,241)	(138,064)
Income taxes (benefit)	**-**	-	-	-	-
Net earnings (loss)	**$ 188,301**	$ 90,002	$ (36,941)	$ (347,241)	$ (138,064)
PER SHARE DATA:					
Weighted average shares outstanding	**2,509,147**	2,509,147	2,509,147	2,509,147	2,509,147
Basic and diluted loss per share:					
Class A common	**$ 0.08**	$ 0.04	$ (0.01)	$ (0.14)	$ (0.06)
Class B common	**$ 0.08**	$ 0.04	$ (0.01)	$ (0.14)	$ (0.06)
Shares outstanding at year end	**2,509,147**	2,509,147	2,509,147	2,509,147	2,509,147
Book value per share	**$ (0.18)**	$ (0.25)	$ (0.28)	$ (0.25)	$ (0.11)
Cash dividends paid per Class A share (Note 12)	**$ -**	$ -	$ -	$ -	$ -
OTHER DATA:					
Working capital	**$ (365,359)**	$ (510,331)	$ (530,000)	$ (599,639)	$ (277,218)
Current ratio	**0.7**	0.5	0.5	0.5	0.7
Total assets	**$ 704,447**	$ 534,751	$ 487,542	$ 533,655	$ 759,167
Total long-term obligations	**$ -**	$ -	$ -	$ -	$ -
Stockholders' equity	**$ (445,355)**	$ (638,162)	$ (700,380)	$ (629,318)	$ (285,396)
After tax return on sales	**9.4%**	(5.4%)	(2.2%)	(22.2%)	(7.4%)
Return on equity	**(42.3%)**	(14.1%)	(5.3%)	(55.2%)	(48.4%)

This data should be considered in conjunction with the accompanying financial statements.

QUARTERLY FINANCIAL DATA - UNAUDITED

	2012 Quarters				
	First	Second	Third	Fourth	Total
Net sales	$ 481,049	$ 322,928	$ 575,299	$ 615,667	$ 1,994,943
Gross profit	241,595	156,681	297,441	338,359	1,034,076
Net earnings (loss)	46,645	(27,822)	81,783	87,695	189,201
Basic and diluted loss per share:					
Class A common	0.02	(0.01)	0.03	0.03	0.08
Class B common	0.02	(0.01)	0.03	0.03	0.08
Dividends per Class A common share (Note 12)	0.00	0.00	0.00	0.00	0.00
Stock price for Class A common: *					
High	0.200	0.280	0.100	0.180	
Low	0.085	0.180	0.100	0.125	

	2011 Quarters				
	First	Second	Third	Fourth	Total
Net sales	$ 380,649	$ 304,281	$ 485,633	$ 486,844	$ 1,657,407
Gross profit	171,054	153,963	239,011	252,590	816,618
Net earnings (loss)	(25,371)	(12,132)	61,807	65,698	90,002
Basic and diluted earnings (loss) per share:					
Class A common	(0.01)	0.00	0.02	0.03	0.04
Class B common	(0.01)	0.00	0.02	0.03	0.04
Dividends per Class A common share (Note 12)	0.00	0.00	0.00	0.00	0.00
Stock price for Class A common: *					
High	0.100	0.100	0.100	0.140	
Low	0.090	0.100	0.100	0.085	

This data should be considered in conjunction with the accompanying financial statements.

* The stock prices represent the price on the OTC Pink Sheets. The stock prices reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Annual Meeting of Shareholders
2:00 PM, Friday, May 3, 2013
Electronic Tele-Communications, Inc.
1915 MacArthur Road, Waukesha, WI 53188

Investor Relations
Investor relations inquiries may be made in writing to Investor Relations Department, Electronic Tele-Communications, Inc., 1915 MacArthur Road, Waukesha, WI 53188; by telephone at (262) 542-5600; or via email at investor_relations@etcia.com.

Stock Held in "Street Name"
Electronic Tele-Communications, Inc. maintains a direct mailing list to ensure that shareholders whose stock is held in broker accounts receive shareholder information on a timely basis. Shareholders may add their name to this list by writing or calling our Investor Relations Department.

Stock Listing
Electronic Tele-Communications, Inc. Class A common stock is quoted on the OTC Pink Sheets under the symbol ETCIA.

Shareholders of Record
As of March 5, 2013 there were approximately 450 shareholders of record and beneficial shareholders owning Class A common stock.

Termination of Regulation
In September 2004 the Company voluntarily terminated its registration of its Class A common stock under Section 12 of the Securities Exchange Act of 1934. This deregistration terminated the Company's obligation to file public reports with the SEC on Forms 10-KSB, 10-QSB, and 8-K.

Transfer Agent and Register
For address changes or questions regarding your shares, please contact:
American Stock Transfer and Trust Company, 59 Maiden Lane, New York, NY 10038-4502; telephone (800) 937-5449; website http://www.amstock.com; email info@amstock.com

Independent Accountants
Wipfli, LLP, 10000 Innovation Drive, Suite 250, Milwaukee, WI 53226

Legal Counsel
Quarles & Brady LLP, 411 East Wisconsin Avenue, Milwaukee, WI 53202

Corporate Officers
Dean W. Danner, P.E. , President and Chief Executive Officer
Joseph A. Voight, Jr., Vice President Sales and Marketing
Bonita M. Danner, P.E., Treasurer and Vice President Engineering
Elizabeth Danner, Vice President Administration and Corporate Secretary

Directors
Dean W. Danner, P.E., 2, 3, 4
Bonita M. Danner, P. E., 1, 3, 4
Joseph A. Voight, Jr., 2 ,1
Elizabeth Danner, 3, 4
Jonathan Danner, 2, 1

Hazel Danner, Board Member Emeritus

Committee Assignments
1-- Audit Committee
2 -- Compensation and Stock Option Committee
3 -- Executive Committee
4 -- Facilities Committee

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