

September 25, 2019

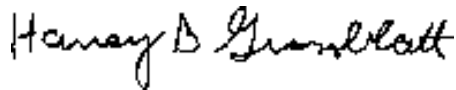
Dear Shareholders,

Your Company's sales for fiscal year 2019 rose 18.3% to \$17,588,040 from \$14,873,189 for fiscal 2018. USI reported a net loss of \$1,347,986 or \$0.58 per basic and diluted share compared to \$2,262,310 or \$0.98 per basic and diluted share for the prior fiscal year. While we did report a net loss for the year principally due to soft European sales by our Hong Kong Joint Venture, this was the first time in 10 years that Universal reported an operating profit.

In fiscal 2019 we saw growth both in our retail and electrical distribution divisions and anticipate this trend should continue into the current fiscal year. Currently our carbon monoxide alarms, photoelectric alarms, ground fault circuit interrupters and USB's are subject to a 25% duty, which affect our gross margins. We are working with our Hong Kong Joint Venture to reduce its losses and improve sales in Europe. Once the new tariffs on imports from China are removed, we hope to see some additional improvement.

We thank our loyal customers, sales agents and dedicated employees for their continued support. We also thank our shareholders for their support and look forward to sharing more news with you.

Respectfully,



Harvey Grossblatt
President & CEO