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Nortech Systems Reports First Quarter Results *Quarterly Improvements Continue*

MINNEAPOLIS – May 12, 2010 – Nortech Systems Incorporated (NASDAQ: NSYS) today reported net sales of \$21.7 million for the first quarter ended March 31, 2010, compared with net sales of \$21.6 million for the first quarter of 2009. Operating income increased to \$325,782 for the first quarter, compared with an operating loss of \$2.1 million for the first quarter of 2009. Quarterly net income also improved, to \$95,284, or \$0.03 per diluted common share, compared with a quarterly net loss of \$1.3 million, or \$0.47 per share, for the first quarter of 2009.

“We’re encouraged by the quarterly results and start to the 2010 fiscal year in sales, operating income and profitability,” said Mike Degen, Nortech Systems’ president and CEO. “The necessary restructuring activities we undertook last year proved effective in better aligning our infrastructure and capacity with customer demand.”

Degen cited good progress in plant utilization, ongoing cost-reduction projects and process-improvement efforts, with positive results shown in gross margins.

“Many of our customers are demonstrating greater confidence, indicated by our increasing backlog,” explained Degen. “Industrial and medical customers impacted by the economic slowdown are now exhibiting signs of recovery.” Nortech Systems’ 90-day backlog on March 31, 2010, was \$19.0 million, up 25 percent from a year ago.

Last week Nortech Systems acquired additional design and manufacturing capabilities by purchasing an electronics manufacturer in Milaca, Minn., that specializes in medical devices. The acquisition is expected to be accretive starting in 2011 as synergies develop and strengthen.

Conference Call

Nortech Systems announces a conference call to be held at 10:00 a.m. (CDT) on Thurs., May 13, 2010, to discuss the company's first quarter results.

Anyone interested in participating in the conference can access the call by dialing 877-407-8033 from within the United States, or 201-689-8033 (if calling internationally). An audio webcast and replay of this conference call can be accessed at the investor relations portion of Nortech Systems' website at www.nortechsys.com or at www.investorcalendar.com. A podcast (MP3 download) will also be available. The telephone replay will be available through May 27, 2010, by dialing 877-660-6853 (from U.S.) or 201-612-7415 (International). To access the replay, the account number 286 and conference ID 350396 are both required.

About Nortech Systems Incorporated

Nortech Systems Incorporated (www.nortechsys.com), based in Wayzata, Minn., is a full-service electronics manufacturing services (EMS) provider of wire and cable assemblies, printed circuit board assemblies, and higher-level complete box build assemblies for a wide range of industries. Markets served include industrial equipment, aerospace/defense and medical. The company has manufacturing capabilities and operating partners in the U.S., Asia and Latin America. Nortech Systems Incorporated is traded on the NASDAQ Stock Market under the symbol NSYS.

Forward-Looking Statements

This press release contains forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. While this release is based on management's best judgment and current expectations, actual results may differ and involve a number of risks and uncertainties. Important factors that could cause actual results to differ materially from the forward-looking statements include, without limitation: volatility in market conditions which may affect market supply of and demand for the company's products; increased competition; changes in the reliability and efficiency of operating facilities or those of third parties; risks related to availability of labor; commodity and energy cost instability; general economic, financial and business conditions that could affect the company's financial condition and results of operations; as well as risk factors listed from time to time in the company's filings with the SEC.

Condensed Statements of Operations

Three months ended Mar. 31,
Unaudited

| | 2010 | 2009 |
|--|--------------|--------------|
| Net Sales | \$21,741,441 | \$21,550,636 |
| Income (Loss) from Operations | 325,782 | (2,123,040) |
| Income (Loss) before Income Taxes | 155,284 | (2,208,218) |
| Income Tax Expense (Benefit) | 60,000 | (919,000) |
| Net Income (Loss) | 95,284 | (1,289,218) |
| Net Income (Loss) Per Basic Common Share | \$0.03 | (\$0.47) |
| Weighted Average Number of Common Shares – Basic | 2,740,548 | 2,738,955 |
| Net Income (Loss) Per Diluted Common Share | \$0.03 | (\$0.47) |
| Weighted Average Number of Common Shares – Diluted | 2,740,548 | 2,738,955 |

Condensed Balance Sheets

| | March 31, 2010 (Unaudited) | Dec. 31, 2009 |
|---|-------------------------------|---------------------|
| Current Assets | \$33,200,872 | \$31,884,977 |
| Property and Other Long-term Assets | <u>8,928,080</u> | <u>9,244,228</u> |
| Total Assets | <u>\$42,128,952</u> | <u>\$41,129,205</u> |
| Current Liabilities | \$19,706,364 | \$18,669,177 |
| Long-term Debt | 3,580,228 | 3,733,176 |
| Shareholders' Equity | <u>18,842,360</u> | <u>18,726,852</u> |
| Total Liabilities and Shareholders' Equity | <u>\$42,128,952</u> | <u>\$41,129,205</u> |