

# Torch Technologies Achieves 100% Employee Ownership

**HUNTSVILLE, AL – January 12, 2012 –Torch Technologies, Inc. (Torch)** is pleased to announce the completion of its employee stock ownership plan (ESOP) restructuring. The company has repurchased all outstanding stock owned outside the ESOP, which was the final step to complete the transition to a 100% ESOP-owned status. As of December 30, 2011, all shares had been sold back to the ESOP trust, and the company achieved its 10-year goal of 100% employee ownership.

An ESOP is an employee benefit plan that provides company stock to employees. As a 100% ESOP-owned company, all Torch company stock is now held in trust by the ESOP exclusively for the benefit of participants and beneficiaries. The company first formed the ESOP in 2004. This represented the first step of a plan to repurchase all of its stock and transform itself into a company with all ownership interest in the hands of its employees through the ESOP. An ESOP structure creates a market for stock held by the original owners without requiring a sale to outside interests.

Torch CEO Bill Roark commented, “We’re very excited to achieve our long time goal of 100% employee ownership. The key benefit of an ESOP is that it allows employees to participate in the company’s growth and success. Every employee has a stake in the outcome. This also means the company has protected its own destiny, committing long term to the ethics, values and high standards that have created the success of Torch. “

An ESOP is a significant retirement benefit and a reason for employees to want to make the company more successful. Torch also provides employees a 401(k) profit sharing plan as an additional retirement savings vehicle. Existing Torch management will continue in their current capacity and nothing in the company’s day-to-day operations will change. “This structure allows our employees to focus completely on customer needs and not be concerned with ownership structure or potential changes in ownership. Now, our employees are the owners.” Roark further stated, “When we founded the company in October of 2002, we established a goal of being 100% employee owned within ten years. Our ESOP was established in 2004 and we’ve been marching steadily towards that goal ever since. This gives our employees a level of control over their own destiny that employees at many companies do not enjoy.”

Roark states, “Full employee ownership will benefit our customers, as well as our employees. Many of today’s small businesses are acquired by larger corporations as founders seek to retire. Jobs are lost, people’s careers are impacted and customers are inconvenienced. The knowledge and talent of those employees may be lost as they find positions with other organizations. We’re firm believers that employee owners are more committed to customer satisfaction than typical employees who do not have a vested stake in the outcome of the company. For that reason, and others, we’re excited that Torch is now 100% employee owned.”

Torch has been recognized as a premier services provider for a number of Department of Defense customers. Expertise includes modeling and simulation, test & evaluation, and software development for Air & Missile Defense systems as well as Tactical Weapon Systems. Additionally, Torch provides expertise for Unmanned Aircraft Systems, Advanced Technologies and Information Assurance. Torch, with headquarters in Huntsville, began operations in October 2002. Torch currently has over 240 employee owners and finished 2011 with over \$70M in annual revenue.

*About Torch: Founded in October 2002, Torch is an employee-owned small business dedicated to quality technical services, competitive costs and ethical business practices. Torch was the 2005 winner, a 2007 finalist, and a 2009 repeat winner of the Better Business Bureau's Torch Award for Business Ethics in the North Alabama Region. Torch was nationally recognized by Entrepreneur Magazine in July 2006 as one of the 100 fastest growing companies in America. Torch won the 2007 Huntsville Chamber of Commerce Small Business of the Year award in the Technology Category. Also in 2007, the INC5000 ranked Torch as the number one Fastest Growing Privately-held Defense Contractor in the Southeast Region. Torch has been ranked in the INC5000 for five consecutive years. In 2008, Torch was named a winner of the Huntsville Best Places to Work award; the Alabama Information Technology Association Selected Torch Technologies, Inc. as Large Business of the Year "Leadership in Technology Award"; and the Principal Group named Torch "One of The Principal 10 Best Companies for Employee Financial Security" nationwide .In 2011, INC and Winning Workplaces selected Torch as a "Top Small Company Workplace" winner. For more information, visit the company's web site at [www.TorchTechnologies.com](http://www.TorchTechnologies.com)*

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