

GENERAL BEARING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands, except for shares)

	April 3, 2010	January 2, 2010
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,683	\$ 7,894
Accounts receivable, net of allowance for doubtful accounts of \$1,024 in 2010 and \$1,010 in 2009	28,033	27,171
Inventories	31,788	32,645
Prepaid taxes and taxes recoverable	1,311	2,738
Prepaid expenses and other current assets	4,491	3,133
Deferred income taxes	1,299	1,299
Total current assets	75,605	74,880
PROPERTY, PLANT AND EQUIPMENT	37,385	38,173
INVESTMENT IN JOINT VENTURES AND AFFILIATES	3,637	3,514
LOAN RECEIVABLE - OFFICER	1,310	1,320
DEFERRED INCOME TAXES	700	677
OTHER ASSETS	790	740
Total Assets	\$ 119,427	\$ 119,304
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable - banks	\$ 19,034	\$ 19,034
Notes payable - related party	2,562	3,294
Accounts payable - trade	13,601	13,552
Accounts payable - affiliate	1,332	1,308
Accrued expenses and other current liabilities	3,871	4,737
Total current liabilities	40,400	41,925
LONG-TERM DEBT	4,392	4,392
OTHER LIABILITIES	157	166
DEFERRED INCOME TAXES	48	48
Total liabilities	44,997	46,531
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common shares - par value \$.01 per share; authorized 5,000,000 shares; 4,174,450 issued and outstanding in 2010 and 2009	42	42
Paid-in capital	38,365	38,411
Accumulated other comprehensive income	3,163	3,163
Treasury stock, at cost; 521,817 and 542,817 shares	(4,788)	(4,981)
Retained earnings	15,305	14,257
Total General Bearing Corporation stockholders' equity	52,087	50,892
NONCONTROLLING INTERESTS	22,343	21,881
Total stockholders' equity	74,430	72,773
Total Liabilities and Stockholders' Equity	\$ 119,427	\$ 119,304

GENERAL BEARING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In Thousands, Except for Shares and Per Share Data)
(Unaudited)

	<u>Thirteen Weeks Ended</u>	
	<u>April 3, 2010</u>	<u>April 4, 2009</u>
SALES	\$ 32,698	\$ 19,836
COST OF SALES	<u>25,456</u>	<u>16,443</u>
GROSS PROFIT	<u>7,242</u>	<u>3,393</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>4,728</u>	<u>4,135</u>
OPERATING INCOME / (LOSS)	<u>2,514</u>	<u>(742)</u>
OTHER EXPENSES / (INCOME), NET	<u>375</u>	<u>(1,410)</u>
INCOME FROM OPERATIONS BEFORE INCOME TAXES	<u>2,139</u>	<u>668</u>
INCOME TAXES	<u>629</u>	<u>90</u>
NET INCOME	<u>1,510</u>	<u>578</u>
Less: Net income attributable to the noncontrolling interests	<u>462</u>	<u>306</u>
NET INCOME ATTRIBUTABLE TO GENERAL BEARING CORPORATION	<u>\$ 1,048</u>	<u>\$ 272</u>
Other Comprehensive Income / (Loss)		
Net Income	<u>\$ 1,510</u>	<u>\$ 578</u>
Foreign exchange translation	<u>-</u>	<u>(2)</u>
Total comprehensive income	<u>1,510</u>	<u>576</u>
Comprehensive income attributable to the noncontrolling interests	<u>462</u>	<u>305</u>
Comprehensive income attributable to General Bearing Corporation	<u>\$ 1,048</u>	<u>\$ 271</u>
Net Income per common share		
Basic	<u>\$ 0.29</u>	<u>\$ 0.07</u>
Diluted	<u>\$ 0.28</u>	<u>\$ 0.07</u>
Weighted average number of common shares		
Basic	<u>3,647,095</u>	<u>3,629,040</u>
Diluted	<u>3,713,970</u>	<u>3,691,388</u>

GENERAL BEARING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	<u>Thirteen Weeks Ended</u>	
	<u>April 3, 2010</u>	<u>April 4, 2009</u>
OPERATING ACTIVITIES		
Net income	\$ 1,048	\$ 272
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncontrolling interests	462	306
Depreciation and amortization	1,088	1,129
Equity (income) / losses in joint ventures and affiliates	(123)	5
Deferred income taxes	(22)	(53)
Gain on sale of fixed assets	-	(2)
Stock based compensation	4	13
Other non cash charges and credits, net	(9)	(8)
Changes in:		
Accounts receivable	(862)	4,540
Inventories	856	2,161
Due from bank	-	(1,417)
Prepaid expenses and other assets	11	479
Advances to affiliates	18	(273)
Accounts payable and accrued expenses	(674)	(6,094)
Net cash provided by operating activities	<u>1,797</u>	<u>1,058</u>
INVESTING ACTIVITIES		
Fixed asset purchases	(286)	(247)
Repayment of loan - related party	10	10
Proceeds from sale of fixed assets	-	3
Net cash used in investing activities	<u>(276)</u>	<u>(234)</u>
FINANCING ACTIVITIES		
Decrease in note payable - banks	-	(1,790)
Decrease in notes payable - related party	(732)	(3,660)
Increase in revolving credit facility	-	3,749
Decrease in note payable - other	-	(16)
Purchase of treasury stock	-	(15)
Net cash used in financing activities	<u>(732)</u>	<u>(1,732)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	789	(908)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	-	-
CASH AND CASH EQUIVALENTS, Beginning of Period	7,894	8,643
CASH AND CASH EQUIVALENTS, End of Period	\$ <u>8,683</u>	\$ <u>7,735</u>