

GENERAL BEARING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands, except for shares)

	April 4, 2009	January 3, 2009
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,735	\$ 8,643
Due from bank	5,755	4,338
Loan receivable - related party	60	70
Accounts receivable, net of allowance for doubtful accounts of \$1,008 in 2009 and \$999 in 2008	18,585	23,125
Inventories	41,966	44,126
Prepaid taxes and taxes recoverable	1,015	1,340
Prepaid expenses and other current assets	2,653	2,808
Deferred tax assets	1,127	1,399
Total current assets	78,896	85,849
PROPERTY, PLANT AND EQUIPMENT	39,663	40,526
INVESTMENT IN, ADVANCES TO AND ACCOUNTS RECEIVABLE FROM JOINT VENTURES AND AFFILIATES	1,832	1,837
LOAN RECEIVABLE - RELATED PARTY	1,320	1,320
DEFERRED TAX ASSETS	679	354
OTHER ASSETS	193	214
Total assets	<u>\$ 122,583</u>	<u>\$ 130,100</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable - banks	\$ 26,846	\$ 28,636
Notes payable - related party	1,464	5,125
Accounts payable	10,591	14,263
Due to affiliates	1,048	1,321
Accrued expenses and other current liabilities	3,625	6,203
Current portion of long term debt	21	36
Total current liabilities	43,595	55,584
LONG-TERM DEBT	7,409	3,660
OTHER LIABILITIES	179	187
DEFERRED TAXES	144	144
Total liabilities	51,327	59,575
MINORITY INTERESTS	21,533	21,228
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common shares - par value \$.01 per share; authorized 5,000,000 shares; 4,174,450 issued and outstanding in 2009 and 2008	42	42
Paid-in capital	38,400	38,423
Accumulated other comprehensive income	3,162	3,163
Treasury stock, at cost; 542,817 and 561,817 shares	(4,981)	(5,159)
Retained earnings	13,100	12,828
Total stockholders' equity	49,723	49,297
Total liabilities and stockholders' equity	<u>\$ 122,583</u>	<u>\$ 130,100</u>

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

	Thirteen Weeks Ended	
	April 4, 2009	March 29, 2008
SALES	\$ 19,836	\$ 34,130
COST OF SALES	16,443	25,960
GROSS PROFIT	3,393	8,170
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	4,135	5,148
OPERATING INCOME / (LOSS)	(742)	3,022
OTHER EXPENSES / (INCOME), NET	(1,410)	897
INCOME BEFORE INCOME TAXES	668	2,125
INCOME TAXES	90	785
INCOME BEFORE MINORITY INTERESTS	578	1,340
MINORITY INTERESTS	306	116
NET INCOME	\$ 272	\$ 1,224
Other Comprehensive Income / (Loss)		
Foreign exchange translation	(1)	815
Total comprehensive income	\$ 271	\$ 2,039
Net Income per common share		
Basic	\$ 0.07	\$ 0.33
Diluted	\$ 0.07	\$ 0.31
Weighted average number of common shares		
Basic	3,629,040	3,734,337
Diluted	3,691,388	3,890,478

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

	<u>Thirteen Weeks Ended</u>	
	<u>April 4, 2009</u>	<u>March 29, 2008</u>
OPERATING ACTIVITIES		
Net income	\$ 272	\$ 1,224
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interests	306	116
Depreciation and amortization	1,129	1,170
Equity losses in joint ventures and affiliates	5	6
Deferred income taxes	(53)	(89)
Gain on sale of fixed assets	(2)	-
Stock based compensation	13	15
Other non cash charges and credits, net	(8)	338
Changes in:		
Accounts receivable	4,540	(1,779)
Inventories	2,161	1,708
Due from bank	(1,417)	(436)
Prepaid expenses and other assets	479	75
Advances to affiliates	(273)	(175)
Accounts payable and accrued expenses	(6,094)	271
Net cash provided by operating activities	<u>1,058</u>	<u>2,444</u>
INVESTING ACTIVITIES		
Fixed asset purchases	(247)	(1,955)
Investment in affiliates	-	(105)
Repayment of loan - related party	10	20
Proceeds from sale of fixed assets	3	-
Net cash used in investing activities	<u>(234)</u>	<u>(2,040)</u>
FINANCING ACTIVITIES		
Decrease in note payable - banks	(1,790)	(940)
Increase / (Decrease) in notes payable - related party	(3,660)	1,193
Increase / (Decrease) in revolving credit facility	3,749	(450)
Decrease in note payable - other	(16)	(16)
Repurchase of employee stock options	-	(251)
Purchase of treasury stock	(15)	(205)
Net cash used in financing activities	<u>(1,732)</u>	<u>(669)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(908)	(265)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	-	(236)
CASH AND CASH EQUIVALENTS, Beginning of Period	<u>8,643</u>	<u>9,955</u>
CASH AND CASH EQUIVALENTS, End of Period	<u>\$ 7,735</u>	<u>\$ 9,454</u>