

GENERAL BEARING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands, except for shares)

	April 2, 2011	January 1, 2011
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,402	\$ 7,062
Accounts receivable, net of allowance for doubtful accounts of \$669 in 2011 and \$668 in 2010	25,984	21,005
Inventories	39,924	38,946
Prepaid taxes and taxes recoverable	2,649	3,354
Prepaid expenses and other current assets	2,446	3,329
Advances to affiliates	398	397
Deferred income taxes	1,389	1,389
Total current assets	81,192	75,482
PROPERTY, PLANT AND EQUIPMENT	20,408	20,764
EQUITY INVESTMENTS IN JOINT VENTURES AND AFFILIATES	14,721	13,498
LOAN RECEIVABLE - OFFICER	1,260	1,280
DEFERRED INCOME TAXES	624	624
OTHER ASSETS	200	119
Total Assets	\$ 118,405	\$ 111,767
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable - banks	\$ 22,152	\$ 11,998
Accounts payable - trade	15,260	17,057
Accounts payable - affiliate	2,779	3,526
Accrued expenses and other current liabilities	5,104	5,532
Current portion of long-term debt	15	15
Total current liabilities	45,310	38,128
LONG-TERM DEBT	51	55
OTHER LIABILITIES	1,516	1,519
DEFERRED INCOME TAXES	264	264
Total liabilities	47,141	39,966
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common shares - par value \$.01 per share; authorized 5,000,000 shares; 4,174,450 issued and outstanding in 2011 and 2010	42	42
Paid-in capital	38,298	38,294
Accumulated other comprehensive income	4,683	4,430
Treasury stock, at cost; 835,348 and 546,747 shares, in 2011 and 2010, respectively	(9,960)	(5,075)
Retained earnings	21,434	18,179
Total General Bearing Corporation stockholders' equity	54,497	55,870
NONCONTROLLING INTERESTS	16,767	15,931
Total stockholders' equity	71,264	71,801
Total Liabilities and Stockholders' Equity	\$ 118,405	\$ 111,767

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 2, 2011</u>	<u>April 3, 2010</u>
SALES	\$ 36,348	\$ 32,698
COST OF SALES	<u>26,746</u>	<u>25,456</u>
GROSS PROFIT	9,602	7,242
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>4,769</u>	<u>4,728</u>
OPERATING INCOME	4,833	2,514
OTHER EXPENSES / (INCOME), NET	<u>(678)</u>	<u>375</u>
INCOME FROM OPERATIONS BEFORE INCOME TAXES	5,511	2,139
INCOME TAXES	<u>1,546</u>	<u>629</u>
NET INCOME	3,965	1,510
Less: Net income attributable to the noncontrolling interests	<u>710</u>	<u>462</u>
NET INCOME ATTRIBUTABLE TO GENERAL BEARING CORPORATION	<u>\$ 3,255</u>	<u>\$ 1,048</u>
Other Comprehensive Income		
Net Income	\$ 3,965	\$ 1,510
Foreign exchange translation	<u>381</u>	<u>-</u>
Total comprehensive income	4,346	1,510
Comprehensive income attributable to the noncontrolling interests	<u>837</u>	<u>462</u>
Comprehensive income attributable to General Bearing Corporation	<u>\$ 3,509</u>	<u>\$ 1,048</u>
Net Income per common share		
Basic	\$ 0.97	\$ 0.29
Diluted	\$ 0.95	\$ 0.28
Weighted average number of common shares		
Basic	3,344,132	3,647,095
Diluted	3,416,244	3,713,970

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

	<u>Thirteen Weeks Ended</u>	
	<u>April 2, 2011</u>	<u>April 3, 2010</u>
OPERATING ACTIVITIES		
Net income	\$ 3,255	\$ 1,048
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncontrolling interests	710	462
Depreciation and amortization	794	1,088
Equity income in joint ventures and affiliates	(905)	(123)
Deferred income taxes	-	(22)
Gain on sale of fixed assets	(7)	-
Stock based compensation	47	4
Other non cash charges and credits, net	53	(9)
Changes in:		
Accounts receivable	(4,979)	(862)
Inventories	(978)	856
Prepaid expenses and other assets	1,479	11
Advances to affiliates	(750)	18
Accounts payable and accrued expenses	(2,273)	(674)
Net cash provided by / (used in) operating activities	<u>(3,554)</u>	<u>1,797</u>
INVESTING ACTIVITIES		
Fixed asset purchases	(272)	(286)
Investment in affiliates	(193)	-
Repayment of loan - officer	20	10
Proceeds from sale of fixed assets	13	-
Net cash used in investing activities	<u>(432)</u>	<u>(276)</u>
FINANCING ACTIVITIES		
Increase in note payable - banks	1,541	-
Decrease in notes payable - related party	-	(732)
Increase in revolving credit facility	8,613	-
Decrease in note payable - other	(4)	-
Purchase of treasury stock	(4,885)	-
Net cash (used in) / provided by financing activities	<u>5,265</u>	<u>(732)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,279	789
EFFECT OF EXCHANGE RATE CHANGES ON CASH	61	-
CASH AND CASH EQUIVALENTS, Beginning of Period	7,062	7,894
CASH AND CASH EQUIVALENTS, End of Period	\$ 8,402	\$ 8,683