

GENERAL BEARING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands, except for shares)

	March 31, 2012	Dec. 31, 2011
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 27,894	\$ 12,589
Accounts receivable, net of allowance for doubtful accounts of \$763 in 2012 and \$692 in 2011	28,316	28,481
Inventories	46,627	53,723
Prepaid taxes and taxes recoverable	1,955	3,735
Prepaid expenses and other current assets	2,716	2,249
Note receivable	8,127	9,627
Loan receivable - officer	1,286	1,286
Deferred income taxes	1,740	1,740
Total current assets	118,661	113,430
PROPERTY, PLANT AND EQUIPMENT	24,772	23,719
EQUITY INVESTMENTS IN JOINT VENTURES AND AFFILIATES	4,956	5,509
DEFERRED INCOME TAXES	524	529
OTHER ASSETS	191	201
Total Assets	\$ 149,104	\$ 143,388
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable - banks	\$ 6,349	\$ 6,339
Accounts payable - trade	12,247	18,930
Accounts payable - affiliate	1,858	2,194
Accrued expenses and other current liabilities	5,177	7,765
Current portion of long-term debt	14	20
Total current liabilities	25,645	35,248
LONG-TERM DEBT	20,514	9,376
OTHER LIABILITIES	1,053	1,138
DEFERRED INCOME TAXES	295	250
Total liabilities	47,507	46,012
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common shares - par value \$.01 per share; authorized 5,000,000 shares; 4,174,450 issued and outstanding in 2012 and 2011	42	42
Paid-in capital	37,014	37,736
Accumulated other comprehensive income	3,707	3,698
Treasury stock, at cost; 707,848 and 807,848 shares, in 2012 and 2011, respectively	(8,456)	(9,651)
Retained earnings	43,304	40,338
Total General Bearing Corporation stockholders' equity	75,611	72,163
NONCONTROLLING INTERESTS	25,986	25,213
Total stockholders' equity	101,597	97,376
Total Liabilities and Stockholders' Equity	\$ 149,104	\$ 143,388

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>March 31, 2012</u>	<u>April 2, 2011</u>
SALES	\$ 39,769	\$ 36,348
COST OF SALES	<u>29,543</u>	<u>26,746</u>
GROSS PROFIT	10,226	9,602
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>5,020</u>	<u>4,769</u>
OPERATING INCOME	5,206	4,833
OTHER EXPENSES / (INCOME), NET	<u>(441)</u>	<u>(678)</u>
INCOME FROM OPERATIONS BEFORE INCOME TAXES	5,647	5,511
INCOME TAXES	<u>1,948</u>	<u>1,546</u>
NET INCOME	3,699	3,965
Less: Net income attributable to the noncontrolling interests	<u>733</u>	<u>710</u>
NET INCOME ATTRIBUTABLE TO GENERAL BEARING CORPORATION	<u>\$ 2,966</u>	<u>\$ 3,255</u>
Other Comprehensive Income		
Net Income	\$ 3,699	\$ 3,965
Foreign exchange translation	<u>50</u>	<u>381</u>
Total comprehensive income	3,749	4,346
Comprehensive income attributable to the noncontrolling interests	<u>774</u>	<u>837</u>
Comprehensive income attributable to General Bearing Corporation	<u>\$ 2,975</u>	<u>\$ 3,509</u>
Net Income per common share		
Basic	\$ 0.86	\$ 0.97
Diluted	\$ 0.86	\$ 0.95
Weighted average number of common shares		
Basic	3,445,668	3,344,132
Diluted	3,459,864	3,416,244

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

	<u>Thirteen Weeks Ended</u>	
	<u>March 31,</u>	<u>April 2, 2011</u>
	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Net income	\$ 2,966	\$ 3,255
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncontrolling interests	733	710
Depreciation and amortization	797	794
Equity (income) / loss in joint ventures and affiliates	41	(905)
Deferred income taxes	65	-
Gain on sale of fixed assets	(5)	(7)
Stock based compensation	129	47
Other non cash charges and credits, net	44	53
Changes in:		
Accounts receivable	164	(4,979)
Inventories	7,096	(978)
Prepaid expenses and other assets	1,791	1,479
Advances to affiliates	(337)	(750)
Accounts payable and accrued expenses	(9,287)	(2,273)
Net cash provided by / (used in) operating activities	<u>4,197</u>	<u>(3,554)</u>
INVESTING ACTIVITIES		
Fixed asset purchases	(1,823)	(272)
Investment in affiliates	-	(193)
Repayment of loan - officer	-	20
Proceeds from the sale of unconsolidated subsidiary	1,500	-
Proceeds from sale of fixed assets	26	13
Net cash used in investing activities	<u>(297)</u>	<u>(432)</u>
FINANCING ACTIVITIES		
Increase / (decrease) in note payable - banks	(10)	1,541
Proceeds from the exercise of common stock options	261	-
Increase in revolving credit facility	11,159	8,613
Decrease in note payable - other	(27)	(4)
Purchase of treasury stock	-	(4,885)
Net cash provided by financing activities	<u>11,383</u>	<u>5,265</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,283	1,279
EFFECT OF EXCHANGE RATE CHANGES ON CASH	22	61
CASH AND CASH EQUIVALENTS, Beginning of Period	12,589	7,062
CASH AND CASH EQUIVALENTS, End of Period	<u>\$ 27,894</u>	<u>\$ 8,402</u>