

GENERAL BEARING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands, except for shares)

	April 2, 2005	January 1, 2005
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,690	\$ 4,878
Accounts receivable, net of allowance for doubtful accounts of \$553 in 2005 and \$541 in 2004	19,084	16,812
Inventories	27,819	27,113
Prepaid taxes and taxes recoverable	681	854
Prepaid expenses and other current assets	2,465	2,447
Advances to affiliates	77	80
Deferred tax assets	1,898	1,898
Total current assets	<u>57,714</u>	<u>54,082</u>
PROPERTY, PLANT AND EQUIPMENT	24,311	24,667
INVESTMENT IN, ADVANCES TO AND ACCOUNTS RECEIVABLE FROM JOINT VENTURES AND AFFILIATES	622	576
OTHER ASSETS	989	989
Total assets	<u>\$ 83,636</u>	<u>\$ 80,314</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable - banks	\$ 9,598	\$ 8,632
Accounts payable	10,765	11,935
Due to affiliates	37	92
Accrued expenses and other current liabilities	7,391	7,273
Current portion of long-term debt	211	240
Total current liabilities	<u>28,002</u>	<u>28,172</u>
LONG-TERM DEBT	14,957	14,029
DEFERRED TAXES	676	676
Total liabilities	<u>43,635</u>	<u>42,877</u>
MINORITY INTERESTS	13,677	13,135
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common shares - par value \$.01 per share; authorized 19,000,000 shares; issued 4,174,450 and 4,174,450 shares	42	42
Paid-in capital	40,232	40,232
Accumulated other comprehensive loss	(336)	(458)
Treasury stock, at cost; 384,228 and 384,228 shares	(1,395)	(1,395)
Accumulated deficit	(12,219)	(14,119)
Total stockholders' equity	<u>26,324</u>	<u>24,302</u>
Total liabilities and stockholders' equity	<u>\$ 83,636</u>	<u>\$ 80,314</u>

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, 2005</u>	<u>April 3, 2004</u>
SALES	\$ 27,218	\$ 18,304
COST OF SALES	<u>18,867</u>	<u>13,368</u>
GROSS PROFIT	8,351	4,936
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>4,302</u>	<u>3,453</u>
OPERATING INCOME	4,049	1,483
OTHER EXPENSES, NET	<u>417</u>	<u>369</u>
INCOME BEFORE INCOME TAXES	3,632	1,114
INCOME TAXES	<u>1,321</u>	<u>385</u>
INCOME BEFORE MINORITY INTERESTS	2,311	729
MINORITY INTERESTS	<u>411</u>	<u>42</u>
NET INCOME	<u>\$ 1,900</u>	<u>\$ 687</u>
Other Comprehensive Income / (Loss)		
Mark to market-interest rate swap	<u>122</u>	<u>(8)</u>
Total comprehensive income	<u>\$ 2,022</u>	<u>\$ 679</u>
Net Income per common share		
Basic	\$ 0.50	\$ 0.18
Diluted	\$ 0.50	\$ 0.18
Weighted average number of common shares		
Basic	3,790,222	3,757,532
Diluted	3,836,276	3,758,705

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

	<u>Thirteen Weeks Ended</u>	
	<u>April 2, 2005</u>	<u>April 3, 2004</u>
OPERATING ACTIVITIES		
Net income	\$ 1,900	\$ 687
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interests	411	42
Depreciation and amortization	851	663
Equity earnings in joint ventures and affiliates	(47)	(59)
Changes in:		
Accounts receivable	(2,272)	(1,466)
Inventories	(706)	1,471
Prepaid expenses and other assets	139	3,071
Advances to affiliates	(52)	531
Accounts payable and accrued expenses	(925)	(1,039)
Net cash provided by (used in) operating activities	<u>(701)</u>	<u>3,901</u>
INVESTING ACTIVITIES		
Advances to affiliate	-	(807)
Fixed asset purchases	(509)	-
Proceeds from sale of fixed assets	32	-
Net cash used in investing activities	<u>(477)</u>	<u>(807)</u>
FINANCING ACTIVITIES		
Repayment of capital lease	(31)	(57)
Increase (decrease) in note payable - banks	966	(2,397)
Net proceeds from revolving credit facility	930	349
Proceeds from partner contributions in a joint venture	125	-
Net cash provided by (used in) financing activities	<u>1,990</u>	<u>(2,105)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	812	989
CASH AND CASH EQUIVALENTS, Beginning of Period	4,878	1,701
CASH AND CASH EQUIVALENTS, End of Period	\$ 5,690	\$ 2,690