

GENERAL BEARING CORPORATION AND SUBSIDIARIES

(In Thousands, except for shares)

	July 2, 2005	January 1, 2005
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,098	\$ 4,878
Accounts receivable, net of allowance for doubtful accounts of \$690 in 2005 and \$541 in 2004	19,940	16,812
Inventories	29,952	27,113
Prepaid taxes and taxes recoverable	372	854
Prepaid expenses and other current assets	2,485	2,447
Advances to affiliates	73	80
Deferred tax assets	1,898	1,898
Total current assets	<u>66,818</u>	<u>54,082</u>
PROPERTY, PLANT AND EQUIPMENT	25,896	24,667
INVESTMENT IN, ADVANCES TO AND ACCOUNTS RECEIVABLE FROM JOINT VENTURES AND AFFILIATES	613	576
OTHER ASSETS	974	989
Total assets	<u>\$ 94,301</u>	<u>\$ 80,314</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable - banks	\$ 10,721	\$ 8,632
Accounts payable	12,445	11,935
Due to affiliates	-	92
Accrued expenses and other current liabilities	7,636	7,273
Current portion of long-term debt	210	240
Total current liabilities	<u>31,012</u>	<u>28,172</u>
LONG-TERM DEBT	17,827	14,029
DEFERRED TAXES	676	676
Total liabilities	<u>49,515</u>	<u>42,877</u>
MINORITY INTERESTS	16,216	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	(319)	(458)
Treasury stock, at cost; 372,228 and 384,228 shares	(1,343)	(1,395)
Accumulated deficit	(10,042)	(14,119)
Total stockholders' equity	<u>28,570</u>	<u>24,302</u>
Total liabilities and stockholders' equity	<u>\$ 94,301</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>Twenty six Weeks Ended</u>		<u>Thirteen Weeks Ended</u>	
	<u>July 2, 2005</u>	<u>July 3, 2004</u>	<u>July 2, 2005</u>	<u>July 3, 2004</u>
SALES	\$ 55,271	\$ 39,831	\$ 28,052	\$ 21,526
COST OF SALES	<u>38,204</u>	<u>29,077</u>	<u>19,337</u>	<u>15,708</u>
GROSS PROFIT	<u>17,067</u>	<u>10,754</u>	<u>8,715</u>	<u>5,818</u>
SELLING, GENERAL AND ADMINISTRATIVE EXP.	<u>8,623</u>	<u>7,469</u>	<u>4,321</u>	<u>4,016</u>
OPERATING INCOME	<u>8,444</u>	<u>3,285</u>	<u>4,394</u>	<u>1,802</u>
OTHER EXPENSES, NET	<u>899</u>	<u>781</u>	<u>482</u>	<u>412</u>
INCOME BEFORE INCOME TAXES	<u>7,545</u>	<u>2,504</u>	<u>3,912</u>	<u>1,390</u>
INCOME TAXES	<u>2,518</u>	<u>790</u>	<u>1,196</u>	<u>405</u>
INCOME BEFORE MINORITY INTERESTS	<u>5,027</u>	<u>1,714</u>	<u>2,716</u>	<u>985</u>
MINORITY INTERESTS	<u>951</u>	<u>336</u>	<u>540</u>	<u>294</u>
NET INCOME	<u>\$ 4,076</u>	<u>\$ 1,378</u>	<u>\$ 2,176</u>	<u>\$ 691</u>
Other Comprehensive Income / (Loss)				
Mark to market-interest rate swap	<u>139</u>	<u>229</u>	<u>17</u>	<u>237</u>
Total comprehensive income	<u>\$ 4,215</u>	<u>\$ 1,607</u>	<u>\$ 2,193</u>	<u>\$ 928</u>
Net Income per common share				
Basic	\$ 1.07	\$ 0.37	\$ 0.57	\$ 0.18
Diluted	\$ 1.06	\$ 0.37	\$ 0.57	\$ 0.18
Weighted average number of common shares				
Basic	3,794,640	3,763,049	3,799,057	3,767,972
Diluted	3,840,416	3,768,396	3,844,694	3,776,646

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

	<u>Twenty six weeks ended</u>	
	<u>July 2, 2005</u>	<u>July 3, 2004</u>
OPERATING ACTIVITIES		
Net income	\$ 4,076	\$ 1,378
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interests	951	336
Depreciation and amortization	1,713	1,417
Equity earnings in joint ventures and affiliates	(37)	(121)
(Gain) / loss on sale of fixed assets	-	(2)
Changes in:		
Accounts receivable	(3,128)	(1,822)
Inventories	(2,839)	2,470
Prepaid expenses and other assets	421	3,305
Advances to affiliates	(86)	(1,345)
Accounts payable and accrued expenses	1,068	730
Net cash provided by (used in) operating activities	<u>2,139</u>	<u>6,346</u>
INVESTING ACTIVITIES		
Increase of equity interests, net of cash acquired	-	871
Fixed asset purchases	(2,935)	(262)
Proceeds from sale of fixed assets	32	5
Net cash used in investing activities	<u>(2,903)</u>	<u>614</u>
FINANCING ACTIVITIES		
Repayment of capital lease	(34)	(114)
Increase (decrease) in note payable - banks	3,176	(2,040)
Net proceeds from (repayment of) revolving credit facility	2,717	(2,362)
Proceeds from partner contributions in a joint venture	2,125	-
Net cash provided by (used in) financing activities	<u>7,984</u>	<u>(4,516)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,220	2,444
CASH AND CASH EQUIVALENTS, Beginning of Period	4,878	1,701
CASH AND CASH EQUIVALENTS, End of Period	\$ 12,098	\$ 4,145