



2008 General Automotive Revenues Exceed \$12 Million

Company's Twelve-Month Revenues Show 6.5% Increase

ORLANDO, Fla., Apr 20, 2009 (BUSINESS WIRE) -- General Automotive Company (OTCBB:GNAU), a North American provider of aftermarket parts and advanced technology for the automotive industry, is pleased to report 2008 financial results for the twelve-month period ended December 31, 2008.

For General Automotive's fiscal year ended December 31, 2008, the Company reported a revenue increase of 6.5%, to \$12,383,241 compared to \$11,566,002 for the same period in 2007.

The increase in revenue was primarily due to larger scheduled customer orders for the Company through the first nine month period ended September 30, 2008. Economic conditions during the 4th quarter diminished previously realized growth rates from the company's 1st, 2nd and 3rd quarter reporting periods in fiscal 2008.

Additionally, revenue from increased orders from the company's wholly-owned subsidiary OE Source (OES) were slightly offset by a new rebate program which resulted in a total net increase in 2008 revenues of \$817,239 as compared to 2007. While gross profit margins on product sales were improved by new domestic dealers and Asian product sourcing, an increase in the cost of shipping due to higher fuel surcharges caused a reduction in gross profit of \$67,323 or a gross profit decline from 10.59% to 9.34%.

Gross profit for fiscal 2008 was \$1,156,958 compared to \$1,224,281 for the corresponding period in 2007. The Company reported a net loss for fiscal 2008 of \$3,318,765 or (\$0.26) per diluted share, compared to a net loss of \$1,751,144 or (\$3.76) per diluted share in 2007. However, the results for the twelve month period ended December 31, 2008, included a net loss from discontinued operations of \$1,367,531 or (\$0.11) per diluted share.

During the third quarter of 2008, the company decided to discontinue the operations of their wholly-owned subsidiary, Global Parts Direct, Inc. (GPD). As such, the board of directors agreed to the disposal of GPD through a sale of selected assets, which was closed on November 14th.

With declining Tier One customer demand for the type of electronic products provided by GDP during 2008, coupled with the subsidiaries' lack of profitability and substantial reduction in revenues from 2007 levels, Company executives determined that the disposal of GDP through a sale of selected assets, would both help mitigate the loss while strengthening the Company's valuation posture as they aggressively pursue new acquisition candidates going forward. This divestiture marks the company's departure from the Tier One business that is directly tied to new car sales. All current business operations are focused on aftermarket parts needed to keep existing cars running.

In an update to the Company's previous news announcement, the management of General Automotive has officially entered into formal talks with several acquisition candidates, each with annual revenues of approximately \$7 million to \$30 million.

All of the company's business operations are now conducted through their wholly-owned subsidiary, OE Source, which generated the majority of all 2008 revenues and delivered double digit revenue growth during General Automotive's 2008 fiscal year ended December 31st.

About General Automotive

General Automotive Company ("GAC") is focused on expanding its operating growth platform through multiple and ongoing acquisitions of successful niche manufacturing companies in the automotive industry. General Automotive's wholly-owned subsidiary, OE Source ("OES"), imports and sells hard-to-get auto parts from proprietary sources domestically and abroad, fulfilling critical portions of its customers' supply chain. These customers include large, multi-national distributors. OES specializes in engine management products such as O2 sensors, which is a rapidly growing and government mandated segment of the auto supply industry. Through its direct relationship to manufacturers in Asia, OES enjoys a competitive advantage in terms of quality and pricing.

Safe Harbor Statement This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on current plans and expectations of management and are subject to a number of uncertainties and risks that could significantly affect the company's current plans and expectations, as well as future results of operations and financial condition. A more extensive listing of risks and factors that may affect the company's business prospects and cause actual results to differ materially from those described in the forward-looking statements can be found in the reports and other documents filed by the company with the Securities and Exchange Commission. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE: General Automotive Company

General Automotive Company

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