



General Automotive Reports Increase in Operating Margins in First Quarter 2009 Over First Quarter 2008

ORLANDO, FL, May 15, 2009 (MARKETWIRE via COMTEX News Network) -- General Automotive Company (OTCBB: GNAU), a North American provider of aftermarket parts and advanced technology for the automotive industry, today announced financial results for its first quarter ended March 31, 2009.

General Automotive achieved year-over-year improvements in most profitability metrics in the first quarter. Gross margin improved 5.5 percentage points to 14.0% of revenue in the first quarter from 8.5% of revenue in the same quarter last year due to increased efficiencies in purchasing practices and product sourcing at its OE Source business. The Company also reduced its operating expenses, lowering its total expense to \$501,800 from \$589,600. Finally, interest expense decreased by \$81,000 -- from \$97,000 to \$16,000 -- year over year due to the conversion of debt to equity at the end of the first quarter of 2008.

Based on a combination of improved gross margins and lower operating expenses, the Company reported a sharply reduced net loss of \$87,500, or \$0.01 per basic and diluted share, versus a net loss of \$503,900, or \$0.07 per basic and diluted share, in the first quarter of 2008. The year-ago net loss included \$119,800, or \$0.02 per basic and diluted share, related to discontinued operations.

Revenue in the first quarter declined by 13.8% to \$3.1 million from \$3.6 million due to a temporary decline in orders from a major customer in the first two months of the quarter. Orders from this customer returned to historical levels in March.

"Despite the temporary decline in revenue from a major customer, we achieved solid improvement in our gross margin and bottom line through a combination of improved product sourcing and the right sizing of our expense base," said Joseph DeFrancisci, president and CEO of General Automotive. "It's important to note that our OE Source subsidiary is nearly carrying the cost of corporate overhead, which includes the costs of maintaining the public company. As we execute our growth strategy -- which calls for the selective acquisition of profitable companies and/or companies with near-term profit potential in the rapidly growing automotive aftermarket parts industry -- we believe we can steadily ramp General Automotive's bottom line and build shareholder value."

General Automotive has engaged New York-based investment banker Jesup & Lamont Securities Corp. to assist the Company in raising growth capital. Jesup & Lamont is one of Wall Street's oldest investment banks and has a solid track record of helping emerging growth companies with their capital requirements.

About General Automotive Company

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. General Automotive is also a partner in the Advanced Composite Technology joint venture with SenCer Inc., the advanced ceramics research laboratory whose proprietary "Ultra-Temp" technology is a potential game changer in the fields of oxygen sensors and SOFC fuel cells for powering automobiles.

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. Specifically, the Company's ability to raise additional capital, execute its business plan and strategy, sustain or increase gross margins, achieve profitability, and build shareholder value are forward looking statements. 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.

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