



## General Automotive Announces Second Quarter 2008 Results

ORLANDO, Fla., Aug 15, 2008 (BUSINESS WIRE) -- General Automotive Company (OTC BB: GNAU.OB) ("GA"), a global provider of parts, accessories and advanced technology for the automotive industry, today reported financial results for its second quarter ended June 30, 2008.

Revenues for the 2008 second quarter totaled \$3,212,100 compared to \$3,843,100 in the 2007 second quarter. Gross profit for the 2008 second quarter was \$285,100 compared to \$498,700 in the prior-year period. The company recorded a net loss of \$420,000, or \$0.03 per diluted share, compared to a net loss of \$259,100, or \$0.59 per diluted share, in the 2007 second quarter. The results for the 2008 and 2007 period include expenses of \$20,600 and \$311,800, respectively, for stock-based compensation.

For the six months ended June 30, 2008, GA reported revenues of \$7,280,300 compared to \$6,358,000 for the first half of 2007, an increase of 14.5%. The company reported a net loss for the 2008 period of \$924,000, or \$0.09 per diluted share, compared to a net loss of \$701,900, or \$1.70 per diluted share, in the first half of 2007. The results for the first six months of 2008 and 2007 include expenses of \$48,750 and \$623,600, respectively, for stock-based compensation.

President and CEO Joe DeFrancisci commented, "Our OE Source (OES) business unit continued the strong performance it demonstrated in the first quarter of 2008, increasing both sales and margins due to high demand for engine replacement parts. OES' growth was offset in the second quarter by the slowdown in the domestic new car market that our Global Parts Direct (GPD) unit serves, as well as by lower pricing for GPD's 10-inch DVD players.

"We have implemented a series of cost reductions to respond to the weakness in new car sales. At the same time, we are working to increase revenues and margins through a variety of initiatives, including introducing new products and broadening our suppliers, both domestically and overseas. We expect the new suppliers to enable us to realize significant cost savings, allowing us to offer reduced prices to our existing customer base for large-quantity orders while increasing GA's gross profit margins.

"The placement we recently closed, as well as the conversion of notes payable into common stock in February 2008, have strengthened our balance sheet and better position us to implement our business plan in the coming months."

CFO Harry Christenson added, "During the 2008 second quarter, our cost of goods sold stabilized to historical levels with no extraordinary items compared to the prior-year period. While the company benefited from the reduced expense of stock-based compensation of approximately \$291,200, this benefit was offset by the loss of gross profits at GPD and approximately \$173,000 in additional expenses as a result of being a public company."

### About General Automotive

General Automotive Company ("GA") is a global provider of parts, accessories and advanced technology for the automotive industry. GA, which is focused on expanding its growth platform through the acquisition of successful niche manufacturing companies in the automotive industry, currently has two wholly owned subsidiaries - OE Source and Global Parts Direct - and a joint venture, Advanced Composite Technologies LLC, to develop next-generation oxygen sensors and hydrogen fuel cells. GA uses its relationships with manufacturers in China, Korea and Japan to bring state-of-the-art parts and accessories to automobile manufacturers and major parts distributors in the U.S. For more information on GA and its products, please visit [www.generalautomotive.com](http://www.generalautomotive.com).

### 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 the 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

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