

FOR:

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FOR IMMEDIATE RELEASE

PRECISION AUTO CARE ANNOUNCES THIRD QUARTER FY 08 RESULTS

LEESBURG, VA – May 16, 2008, Precision Auto Care, Inc. (PACI) announced its financial results for the third quarter of fiscal year ending June 30, 2008. Revenue was \$3.2 million and profit was \$172,000, or \$0.01 per share, compared with a profit of \$102,000, or less than \$0.01 per share, on revenue of \$3.3 million for the same period in the prior year. Year to date, the revenue was \$9.3 million and profit was \$438,000, or \$0.02 per share compared with revenue of \$8.9 million and profit of \$233,000, or \$0.01 per share through the same period in the previous fiscal year.

The Company's President and CEO, Robert Falconi, stated, "same store sales are up slightly during the current fiscal year and calendar year which is a real plus in the current economy. In addition, corporate revenues are up due to the additional revenue from the company owned stores. We are very pleased with those trends and the fact that we continue to operate profitably."

Lou Brown, Chairman of PACI, said, "the Board of Directors is pleased with the Company's progress and the potential for future growth in both revenues and profits."

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Precision Auto Care, Inc.’s affiliate, Precision Franchising LLC, is one of the world’s leading franchisors of auto care centers, with 389 operating centers as of May 16, 2008. Precision Franchising LLC franchises Precision Tune Auto Care centers around the world.

Cautionary Statement: The statements in this press release contain forward-looking statements within the meaning of the Securities Act of 1933 or the Securities Exchange Act of 1934. These statements are based on the Company’s current expectations, estimates and projections. Statements that are not historical facts are forward-looking statements and typically are identified by words like “believe,” “anticipate,” “could,” “estimate,” “expect,” “intend,” “plan,” “project,” “will” and similar terms. These statements are not guarantees of future performance, events or results and involve potential risks and uncertainties. Accordingly, actual results may differ from current expectations, estimates and projections. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Important factors that may impact the Company’s actual results include: (i) business conditions and the general economy; (ii) the federal, state and local regulatory environment; (iii) increased competitive pressure in the automotive after-market services business; (iv) significant automotive technology advances; (v) management’s ability to execute the Company’s business plan; and (vi) the Company’s ability to sell franchises in each state. Additional information concerning risks and uncertainties that could cause actual results to differ materially from those projected or suggested in the forward-looking statements are in the Company’s postings to the Pink Sheets website. The forward-looking statements contained in this prospectus represent the Company’s judgment as of the date of this prospectus, and you should not unduly rely on these statements.

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Three Months Ending March 31,

000s except per share amounts

	<u>2008</u>	<u>2007</u>
Revenue	\$ 3,234	\$ 3,280
Net income	\$ 172	\$ 102
Diluted income per share	\$ 0.01	\$ 0.00
Shares outstanding - diluted	29,090	29,056

Nine Months Ending March 31,

000s except per share amounts

	<u>2008</u>	<u>2007</u>
Revenue	\$ 9,346	\$ 8,895
Net income	\$ 438	\$ 233
Diluted income per share	\$ 0.02	\$ 0.01
Shares outstanding - diluted	29,118	29,118

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