

FOR:

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FOR IMMEDIATE RELEASE

PRECISION AUTO CARE ANNOUNCES THIRD QUARTER FY 07 RESULTS

LEESBURG, VA – May 24, 2007, Precision Auto Care, Inc. (OTCBB: PACI) announced its financial results for the third quarter of fiscal year ending June 30, 2007. Revenue was \$3.3 million and profit was \$102,000, or less than \$0.01 per share, compared with a profit of \$110,000, or less than \$0.01 per share, on revenue of \$3.0 million for the same period in the prior year. Year to date, the revenue was \$8.9 million and profit was \$233,000, or \$0.01 per share compared with revenue of \$8.7 million and profit of \$594,000, or \$0.02 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 as are system sales. We are very pleased with that trend and the fact that we continue to operate profitably. We are also very happy that we signed a Master Franchise Agreement for 5 provinces in the southern part of the People's Republic of China as well as a Master Franchise Agreement for three countries in the Middle East, Qatar, Bahrain and Kuwait. We will continue to look for opportunities to expand the Precision Tune Auto Care brand internationally."

Lou Brown, Chairman of PACI, said, "the Board of Directors is pleased with the Company's progress and the potential for further international growth."

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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 409 operating centers as of April 30, 2007. The Company 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 filings with the Securities and Exchange Commission and in its Annual Report on Form 10-KSB for the year ended June 30, 2006. 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>2007</u>	<u>2006</u>
Revenue	\$ 3,280	\$ 2,963
Net income	\$ 101	\$ 110
Diluted income per share	\$ 0.00	\$ 0.00
Shares outstanding - diluted	29,056	29,584

Nine Months Ending March 31,

000s except per share amounts

	<u>2007</u>	<u>2006</u>
Revenue	\$ 8,895	\$ 8,657
Net income	\$ 233	\$ 594
Diluted income per share	\$ 0.01	\$ 0.02
Shares outstanding - diluted	29,117	29,722

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