

**FOR:**

Precision Auto Care, Inc.  
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**FOR IMMEDIATE RELEASE****PRECISION AUTO CARE ANNOUNCES  
FY 2006 YEAR END RESULTS**

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**LEESBURG, VA – September 29, 2006, Precision Auto Care, Inc.** (OTCBB: PACI) announced its financial results for the fiscal year ending June 30, 2006. Revenue was \$11.7 million and profit was \$721,000, or \$0.02 per share, compared with a profit of \$4.6 million, or \$0.16 per share, on revenue of \$12.8 million for the prior year. For the quarter ending June 30, 2006, the Company earned a profit of \$127,000, or \$0.00 per share on revenue of \$3.1 million, compared to a profit of \$2.3 million, or \$0.08 per share on revenue of \$3.5 million for the comparable quarter in 2005.

The Company's President and CEO, Robert Falconi, stated, "I am very pleased with the Company's performance this past year. Operating profit was \$1.2 million. This is the fourth year in a row that the Company has shown solid operating profit. The comparison with last year's profits has to take into account the fact that the Company was able to recognize \$3.0 million of deferred tax credits last year while we did not have that option this year. Most important, our stores are generating more sales. Same store sales were up 2.86% in FY06 and we have reason to believe that trend will continue and that the Company will continue to operate profitably throughout FY07."

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Lou Brown, Chairman of PACI, said “The Board of Directors is very pleased with the Company’s operating results and the prospects for the upcoming year. The Company’s balance sheet is strong and looks better every quarter. The Board of Directors feels the Company will grow in the upcoming year and continue the positive trend that has been established.”

**Precision Auto Care, Inc.’s** affiliate, Precision Franchising LLC, is one of the world’s leading franchisors of auto care centers, with 414 operating centers as of September 22, 2006. 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 June 30**

000s except per share amounts

|                              | <b><u>2006</u></b> | <b><u>2005</u></b> |
|------------------------------|--------------------|--------------------|
| Revenue                      | \$ 3,062           | \$ 3,537           |
| Net income                   | \$ 127             | \$ 2,339*          |
| Diluted income per share     | \$ 0.00            | \$ 0.08            |
| Shares outstanding - diluted | 29,360             | 29,761             |

\*Includes release of the valuation allowance of \$2,053,720 for the three months ending June 30, 2005.

**Twelve Months Ending June 30**

000s except per share amounts

|                              | <b><u>2006</u></b> | <b><u>2005</u></b> |
|------------------------------|--------------------|--------------------|
| Revenue                      | \$ 11,719          | \$ 12,803          |
| Net income                   | \$ 721             | \$ 4,625**         |
| Diluted income per share     | \$ 0.02            | \$ 0.16            |
| Shares outstanding - diluted | 29,647             | 28,186             |

\*\* Includes release of the valuation allowance of \$3,018,720 for the year ending June 30, 2005.