

FOR:

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FOR IMMEDIATE RELEASE**PRECISION AUTO CARE ANNOUNCES
FY 2007 YEAR END RESULTS**

LEESBURG, VA – September 28, 2007, Precision Auto Care, Inc. (OTCBB: PACI) announced its financial results for the fiscal year ending June 30, 2007. Revenue was \$12.1 million and profit was \$3.4 million, or \$0.12 per share, compared with a profit of \$721,000, or \$0.02 per share, on revenue of \$11.7 million for the prior year. For the quarter ending June 30, 2007, the Company earned a profit of \$3.2 million, or \$0.11 per share on revenue of \$3.2 million, compared to a profit of \$127,000, or \$0.00 per share on revenue of \$3.1 million for the comparable quarter in 2006.

The Company's President and CEO, Robert Falconi, stated, "I am pleased with the Company's performance this past year. This is the fifth year in a row that the Company has shown solid operating profit and our balance sheet continues to get stronger. While the comparison with last year's profits has to take into account the fact that the Company was able to recognize \$2.9 million of deferred tax credits this year while we did not have that option last year, the bottom line is that same store sales were up by 2.26% and we have reason to believe that trend will continue and that the Company will continue to operate profitably throughout FY08. In addition, the Company now owns and operates two Precision Tune Auto Care centers and we intend to

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look for more stores to own and operate in FY08. This will offer another avenue to increase top line growth more rapidly along with bottom line growth as long as we can manage those stores profitably.”

Lou Brown, Chairman of PACI, said “The Board of Directors continues to be pleased with the Company’s operating results and the prospects for FY 2008. The Company’s financial position is strong and looks better every quarter. The Board of Directors feels the Company will grow in the upcoming year.”

Precision Auto Care, Inc.’s affiliate, Precision Franchising LLC, is one of the world’s leading franchisors of auto care centers, with 393 operating centers as of September 21, 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, 2007. 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

	<u>2007</u>	<u>2006</u>
Revenue	\$ 3,176	\$ 3,062
Net income	\$ 3,173*	\$ 127
Diluted income per share	\$ 0.11	\$ 0.00
Shares outstanding - diluted	29,060	29,360

*Includes release of the valuation allowance of approximately \$2.9 million for the three months ending June 30, 2007.

Twelve Months Ending June 30

000s except per share amounts

	<u>2007</u>	<u>2006</u>
Revenue	\$ 12,072	\$ 11,719
Net income	\$ 3,407**	\$ 721
Diluted income per share	\$ 0.12	\$ 0.02
Shares outstanding - diluted	29,118	29,647

** Includes release of the valuation allowance of approximately \$2.9 million for the year ending June 30, 2007.