

# General Employment Reports Second Quarter Results

OAKBROOK TERRACE, III., April 30 /PRNewswire-FirstCall/ -- General Employment Enterprises, Inc. (Amex: JOB) reported net income of \$90,000, or \$.02 per share, for the quarter ended March 31, 2007, compared with net income of \$175,000, or \$.03 per share, for the same quarter last year.

The Company's consolidated net revenues for the quarter were \$4,960,000, down 1% from \$5,000,000 for the same quarter last year. Placement service revenues of \$2,847,000 were up 23%, while contract service revenues of \$2,113,000 decreased 21%.

Commenting on the Company's performance for the quarter, Herbert F. Imhoff, Jr., board chairman and CEO, said, "In our placement services division, we saw a continuation of the strong revenue growth that we have experienced for several quarters. We made 12% more placements and realized an 8% higher average placement fee. In our contract services division, however, we saw continued weakness, and billable hours dropped 25%." Mr. Imhoff added, "The decline in consolidated net revenues, together with a 1% increase in operating expenses, resulted in a 49% decrease in net income for the quarter."

## Six Months Results

For the six months ended March 31, 2007, the Company had net income of \$386,000, or \$.07 per share, a 27% increase compared with net income of \$303,000, or \$.06 per share, for the same period last year. Consolidated net revenues for the six-month period were \$9,804,000, up 1% compared with \$9,713,000 last year.

## **Business Information**

General Employment provides professional staffing services through a network of 19 branch offices located in 9 states, and specializes in information technology, accounting and engineering placements.

The Company's business is highly dependent on national employment trends in general and on the demand for professional staff in particular. Because long-term contracts are not a significant part of the Company's business, future results cannot be reliably predicted by considering past trends or by extrapolating past results. Some of the factors that could affect the Company's future performance include, but are not limited to, general business conditions, the demand for the Company's services, competitive market pressures, the ability of the Company to attract and retain qualified personnel for regular full-time placement and contract assignments, the possibility of incurring liability for the Company's business activities, including the activities of contract employees and events affecting its contract employees on client premises, and the ability of the Company to attract and retain qualified corporate and branch management.

#### GENERAL EMPLOYMENT ENTERPRISES, INC. CONSOLIDATED STATEMENT OF INCOME (In Thousands, Except Per Share)

	Three Months Ended March 31 2007 2006			Six Months Ended March 31 2007 2006		
Net revenues: Contract services Placement services Net revenues	\$ 2,113 2,847 4,960		2,685 2,315 5,000	4,313 5,491 9,804		5,323 4,390 9,713
Operating expenses: Cost of contract services Selling General and administrative Total operating expenses	1,442 1,848 1,639 4,929		1,902 1,420 1,554 4,876			3,758 2,690 3,056 9,504
Income from operations Investment income	31 59		124 51	244 142		209 94
Net income (1)	\$ 90	\$	175	\$ 386	\$	303
Average number of shares: Basic Diluted	5,148 5,381		5,148 5,328	5,148 5,358		5,148 5,351
Net income per share - basic and diluted	\$ .02	\$	.03	\$ .07	\$	.06

 There was no provision for income taxes in either year, because of the availability of losses carried forward from prior years.

#### GENERAL EMPLOYMENT ENTERPRISES, INC. SUMMARIZED CONSOLIDATED BALANCE SHEET INFORMATION (In Thousands)

	March 31 2007	September 30 2006
Assets:		t = 00.1
Cash and cash equivalents Other current assets	\$ 5,539 2,806	\$ 5,904 2,570
Total current assets	8,345	8,474
Property and equipment, net	928	801
Total assets	\$ 9 <b>,</b> 273	\$ 9 <b>,</b> 275
Liabilities and shareholders' equity:		<u> </u>
Current liabilities Shareholders' equity(2)	\$ 2,524 6,749	\$ 2,423 6,852
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Total liabilities and shareholders' equity	\$ 9 <b>,</b> 273	\$ 9,275

(2) During the six months ended March 31, 2007, the board of directors

declared a cash dividend of \$.10 per common share, resulting in a \$515,000 charge to retained earnings.

# SOURCE General Employment Enterprises, Inc.