

PRESS RELEASE

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ACMAT REPORTS FOURTH QUARTER
AND YEAR END RESULTS

	<u>Fourth Quarter Ended</u> <u>December 31,</u>		<u>Year Ended</u> <u>December 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues	\$3,646,504	4,970,184	14,955,477	21,957,266
Net earnings	\$802,562	1,032,026	1,954,459	4,116,497
Basic Earnings Per Share	\$.51	.57	1.19	2.21
Diluted Earnings Per Share	\$.48	.53	1.10	2.06

ACMAT Corporation's results for 2008 were impressive considering the massive impact of the worst economic recession since the great depression and the effects of a near collapse of the financial markets worldwide. ACMAT Corporation reported net earnings of \$820,562 or basic earnings per share of \$.51 for the three months ended December 31, 2008 compared with net earnings of \$1,032,026 or basic earnings per share of \$.57 for the three months ended December 31, 2007. The decrease in net earnings included net realized capital losses of \$113,422, net of taxes, for the three months ended December 31, 2008 compared to net realized capital losses of \$11,983, net of taxes, for the three months ended December 31, 2007. Net earnings for the year ended December 31, 2008 were \$1,954,459 or basic earnings per share of \$1.19 compared with \$4,116,497 or basic earnings per share of \$2.21 for the year ended December 31, 2007. The decrease in net earnings included net realized capital losses of \$1,327,587, net of taxes, for the year ended December 31, 2008 compared to net realized capital losses of \$52,523, net of taxes, for the year ended December 31, 2007.

For the three months ended December 31, 2008, the Company recorded revenues of \$3,646,504 compared to \$4,970,184 for the same three months in 2007. The decrease in revenues was caused by the realized capital losses, a decline in investment income and earned premiums in the three months ended December 31, 2008. For the year ended December 31, 2008, the Company recorded revenues of \$14,955,477, compared to \$21,957,266 for 2007. The decrease in revenues was caused by the realized capital losses, a decline in investment income, contract revenue and earned premiums in the year ended December 31, 2008.

We expect 2009 to be difficult as a result of the continuing recession, but we expect to maintain strong, profitable results. Because we have been unable to secure any new construction contracts with reasonable pricing, we will discontinue performing construction work. We plan to contract our overhead so the Company is correctly sized under the new market conditions, which we think will prevail for an extended duration.

During 2008 we continued to strengthen our financial condition. At December 31, 2008, ACMAT's investment portfolio included approximately \$26 million in U.S. Treasury Notes, \$25 million in Ginne Maes (Direct obligations of the United States), \$12.5 million in cash, \$5 million in Private Label A-rated Mortgage-Backed Securities, \$2.3 million in preferred shares in financial institutions, \$2 million in preferred shares of non-financial institutions, \$8.5 million of state bonds and \$7.8 million in corporate bonds. We reduced the unrealized loss from \$3,540,372 at September 30, 2008 to \$2,100,544 at December 31, 2008. There is possibly some credit risk in the preferred and mortgage-backed securities, however generally our investment portfolio is extremely liquid with assets that have very high credit ratings.

ACMAT provides design and construction services to commercial, industrial, corporate and institutional customers. ACMAT's insurance subsidiary, ACSTAR Insurance Company is licensed nationwide and provides surety bonds for prime contractors, specialty trade, environmental remediation and asbestos abatement contractors and miscellaneous surety.