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ACMAT REPORTS THIRD QUARTER EARNINGS

	3 Months Ended <u>September 30,</u>		9 Months Ended <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues	\$2,768,382	6,085,900	11,308,973	16,987,082
Net earnings	\$ 50,750	910,429	1,151,897	3,084,470
Basic Earnings Per Share	\$.03	.48	.69	1.65
Diluted Earnings Per Share	\$.03	.45	.64	1.54

As a result of the failure of Lehman Brothers and because of our concern about the overall strength of the financial markets in general, during the third quarter ACMAT Corporation absorbed a capital loss of \$500,000 on its preferred shares of Lehman Brothers and we sold approximately \$5 million of preferred shares in other financial institutions significantly reducing our exposure to preferred shares in financial markets absorbing additional net realized capital losses of \$1,217,232 during the third quarter of 2008. As a consequence, ACMAT Corporation reported net earnings of \$50,750 or basic earnings per share of \$.03 for the three months ended September 30, 2008 compared to \$910,429 or basic earnings per share of \$.48 for the three months ended September 30, 2007. The decrease in net earnings is attributable to net realized capital losses of \$1,373,786, net of taxes, for the three months ended September 30, 2008 compared to net realized capital losses of \$35,764, net of taxes, for the three months ended September 30, 2007. Net earnings for the nine months ended September 30, 2008 were \$1,151,897 or basic earnings per share of \$.69 compared to \$3,084,470 or basic earnings per share of \$1.65 for the nine months ended September 30, 2007. The decrease in net earnings is attributable to net realized capital losses of \$1,471,715, net of taxes, for the nine months ended September 30, 2008 compared to net realized capital losses of \$49,140, net of taxes, for the nine months ended September 30, 2007.

For the quarter ended September 30, 2008, the Company recorded revenues of \$2,768,382 compared to \$6,085,900 for the three months ended September 30, 2007. A significant portion of the decrease in revenue was attributable to the realized capital loss. Excluding realized capital losses on investments, total revenues were \$4,485,614 for the quarter ended September 30, 2008 compared to \$6,130,605 for the quarter ended September 30, 2007. For the nine months ended September 30, 2008, revenues were \$11,308,973 compared to \$16,987,082 for the nine months ended September 30, 2007. Excluding realized capital losses on investments, total revenues were \$13,148,617 for the nine months ended September 30, 2008 compared to \$17,048,507 for the nine months ended September 30, 2007.

The net realized losses from investments represent less than 2% of our investment portfolio. Our investment portfolio includes approximately \$38 million in U.S. Treasury Notes, \$25 million in Ginne Maes (Direct obligations of the U.S.) \$9 million in cash, \$6 million in Private Label A rated Mortgage-Backed Securities, \$5 million in preferred shares in financial institutions, \$2.5 million in preferred shares of non-financial institutions and \$2.5 million in corporate bonds. The unrealized capital loss at September 30, 2008 is approximately \$3.5 million and approximately only \$2.5 million at the time of this release. 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's financial condition is exceptionally strong.

ACMAT provides design and construction services to commercial, industrial, corporate and institutional customers. ACMAT focuses on renovating interiors of existing facilities, as well as new building construction. ACMAT's insurance subsidiary, ACSTAR Insurance Company, is licensed nationwide and provides surety bonds for prime contractors, specialty trade, environmental remediation and asbestos and lead abatement contractors and miscellaneous obligations. ACSTAR also offers other miscellaneous surety such as work's compensation bonds, supply bonds, subdivision bonds and license and permit bonds as well as some general liability insurance.