

IMMEDIATE RELEASE
THURSDAY, OCTOBER 18, 2007

TRADED: OTC (MUEL)
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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY TODAY RELEASED ITS THIRD QUARTER REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2007, AS FOLLOWS:

Paul Mueller Company and Subsidiaries

NINE-MONTH REPORT

(Unaudited)

CONSOLIDATED SUMMARIES OF OPERATIONS

	Three Months Ended		Nine Months Ended		Twelve Months Ended	
	September 30		September 30		September 30	
	2007	2006	2007	2006	2007	2006
Net Sales.....	\$ 58,424,000	\$ 36,698,000	\$ 161,703,000	\$ 96,289,000	\$ 218,301,000	\$ 135,801,000
Cost of Sales.....	<u>51,688,000</u>	<u>30,860,000</u>	<u>137,281,000</u>	<u>79,723,000</u>	<u>183,000,000</u>	<u>110,728,000</u>
Gross Profit.....	\$ 6,736,000	\$ 5,838,000	\$ 24,422,000	\$ 16,566,000	\$ 35,301,000	\$ 25,073,000
Selling, General and Admin. Expenses.....	<u>6,557,000</u>	<u>5,601,000</u>	<u>18,977,000</u>	<u>15,656,000</u>	<u>25,467,000</u>	<u>20,999,000</u>
Operating Income.....	\$ 179,000	\$ 237,000	\$ 5,445,000	\$ 910,000	\$ 9,834,000	\$ 4,074,000
Other Income.....	<u>185,000</u>	<u>213,000</u>	<u>684,000</u>	<u>667,000</u>	<u>511,000</u>	<u>655,000</u>
Income before Provision (Benefit) for Income Taxes ...	\$ 364,000	\$ 450,000	\$ 6,129,000	\$ 1,577,000	\$ 10,345,000	\$ 4,729,000
Provision (Benefit) for Income Taxes	<u>137,000</u>	<u>252,000</u>	<u>2,232,000</u>	<u>550,000</u>	<u>453,000</u>	<u>(127,000)</u>
Net Income	<u>\$ 227,000</u>	<u>\$ 198,000</u>	<u>\$ 3,897,000</u>	<u>\$ 1,027,000</u>	<u>\$ 9,892,000</u>	<u>\$ 4,856,000</u>
Earnings per Common Share –						
Basic	\$ 0.20	\$ 0.17	\$ 3.38	\$ 0.89	\$ 8.58	\$ 4.22
Diluted.....	\$ 0.19	\$ 0.17	\$ 3.32	\$ 0.89	\$ 8.43	\$ 4.19

FINANCIAL HIGHLIGHTS

	September 30	December 31
	2007	2006
Total Assets.....	\$ 106,632,000	\$ 92,816,000
Working Capital.....	\$ 6,987,000	\$ 10,678,000
Current Ratio	1.11 : 1	1.19 : 1
Net Worth	\$ 22,564,000	\$ 20,569,000
Book Value Per Share	\$ 18.83	\$ 17.36
Backlog.....	\$ 114,031,000	\$ 116,913,000

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NOTES: 1) Net income for the third quarter of 2007 was adversely affected by an increase in the LIFO reserve of \$1,046,000, after tax, while net income for the third quarter of 2006 was adversely affected by an increase in the LIFO reserve of \$1,230,000, after tax. Net income for the nine months ended September 30, 2007, was adversely affected by an increase in the LIFO reserve of \$3,167,000, after tax; while net income for the first nine months of 2006 was adversely affected by an increase in the LIFO reserve of \$1,871,000, after tax.

2) The effective tax rates for the three months and nine months ended September 30, 2006, varied from the statutory rate (34%) due to the effect of the alternative minimum tax.

3) The effective tax rate for the twelve months ended September 30, 2007, varied from the statutory rate (34%) due to a non-cash credit of \$3,157,000 recorded during the fourth quarter of 2006 to reduce the remaining balance of the valuation allowance established during 2004 for all of the Company's net deferred tax assets. The effective tax rate for the twelve months ended September 30, 2006, varied from the statutory rate (34%) due to the benefit of a net operating loss carry forward, tax credits, and a noncash credit of \$1,200,000 that was a partial reduction of the valuation allowance established during 2004 for all of the Company's net deferred tax assets.

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