

# MUELLER<sup>®</sup>

**IMMEDIATE RELEASE:**  
Thursday, October 27, 2011

**TRADED:** OTC (MUEL)  
**FOR FURTHER INFORMATION CONTACT:**

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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY (OTC: MUEL.PK) TODAY RELEASED ITS THIRD QUARTER REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2011, AS FOLLOWS:

## PAUL MUELLER COMPANY AND SUBSIDIARIES NINE-MONTH REPORT

Unaudited

### CONSOLIDATED SUMMARIES OF OPERATIONS

	Three Months Ended September 30		Nine Months Ended September 30		Twelve Months Ended September 30	
	2011	2010	2011	2010	2011	2010
	Net Sales	\$ 36,814,000	\$ 36,962,000	\$ 110,203,000	\$ 94,755,000	\$ 145,081,000
Cost of Sales	24,748,000	28,773,000	74,352,000	69,827,000	98,471,000	100,204,000
Gross Profit	\$ 12,066,000	\$ 8,189,000	\$ 35,851,000	\$ 24,928,000	\$ 46,610,000	\$ 34,907,000
Selling, General and Administrative Expense	11,074,000	8,986,000	34,260,000	28,391,000	45,206,000	38,267,000
Operating Income	\$ 992,000	\$ (797,000)	\$ 1,591,000	\$ (3,463,000)	\$ 1,404,000	\$ (3,360,000)
Other Income (Expense)	(987,000)	(662,000)	(2,368,000)	(1,741,000)	(2,745,000)	(2,516,000)
Income before Provision for Income Taxes	\$ 5,000	\$ (1,459,000)	\$ (777,000)	\$ (5,204,000)	\$ (1,341,000)	\$ (5,876,000)
Provision for Income Taxes	121,000	(452,000)	797,000	(2,043,000)	6,010,000	(3,076,000)
Net Income	\$ (116,000)	\$ (1,007,000)	\$ (1,574,000)	\$ (3,161,000)	\$ (7,351,000)	\$ (2,800,000)
Earnings per Common Share — Basic	(\$0.10)	(\$0.84)	(\$1.32)	(\$2.65)	(\$6.15)	(\$2.22)
Diluted	(\$0.10)	(\$0.84)	(\$1.32)	(\$2.65)	(\$6.15)	(\$2.22)

- NOTES:
- Domestic sales for the third quarter of 2011 were \$24,026,000 and the net loss was \$361,000, compared to 2010, when sales were \$24,343,000 and the net loss was \$1,305,000. Mueller B.V.'s sales for the third quarter of 2011 were \$12,788,000 and net income was \$245,000, compared to 2010, when sales were \$12,619,000 and net income was \$298,000.
  - The results for the three months, nine months, and twelve months ended September 30, 2011, were adversely affected by severance and noncompete payments totaling \$961,000 and the accrual of \$2,721,000 (a current non-cash charge) for the actuarial present value of a life annuity, all of which are in accordance with the employment agreement of the former President and CEO.
  - The results for the three months, nine months, and twelve months ended September 30, 2011, were adversely affected by one-time fees associated with the new bank financing (credit revolver and terms loans) totaling \$670,000.
  - The provisions for income taxes for the three months, nine months, and twelve months ended September 30, 2011, included a valuation allowance against a portion of the Company's net deferred tax assets of \$126,000, \$971,000, and \$1,748,000, respectively.

### SUMMARIZED CONSOLIDATED BALANCE SHEETS

	September 30 2011	December 31 2010
Current Assets	\$ 56,049,000	\$ 40,997,000
Net Property, Plant, and Equipment	40,787,000	44,829,000
Other Assets	16,176,000	16,452,000
Total Assets	\$ 113,012,000	\$ 102,278,000
Current Liabilities	\$ 61,044,000	\$ 46,047,000
Long-Term Debt	15,459,000	18,177,000
Other Long-Term Liabilities	19,488,000	20,231,000
Shareholders' Investment	17,021,000	17,823,000
Total Liabilities and Shareholders' Investment	\$ 113,012,000	\$ 102,278,000
Book Value per Common Share	\$13.81	\$13.81
Total Shares Outstanding	1,291,074	1,291,074
Backlog	\$ 61,529,000	\$ 31,044,000

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