

# MUELLER

## News Release

IMMEDIATE RELEASE

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SPRINGFIELD, MISSOURI – PAUL MUELLER COMPANY (OTC: MUEL.PK) TODAY REPORTED ITS EARNINGS FOR THE YEAR 2009:

### PAUL MUELLER COMPANY AND SUBSIDIARIES CONSOLIDATED SUMMARIES OF OPERATIONS Unaudited

	Three Months Ended December 31		Twelve Months Ended December 31	
	2009	2008	2009	2008
Net Sales	\$ 40,356,000	\$ 65,287,000	\$ 167,519,000	\$ 217,882,000
Cost of Sales	30,134,000	48,951,000	123,228,000	176,826,000
Gross Profit	\$ 10,222,000	\$ 16,336,000	\$ 44,291,000	\$ 41,056,000
Selling, General, and Admin. Expenses	9,876,000	13,768,000	42,383,000	34,443,000
Operating Income	\$ 346,000	\$ 2,568,000	\$ 1,908,000	\$ 6,613,000
Other Income (Expense)	(775,000)	(136,000)	(2,767,000)	(154,000)
Income before Provision for Income Taxes	\$ (429,000)	\$ 2,432,000	\$ (859,000)	\$ 6,459,000
Provision (Benefit) for Income Taxes	(939,000)	1,034,000	(1,283,000)	2,349,000
Net Income	\$ 510,000	\$ 1,398,000	\$ 424,000	\$ 4,110,000
Earnings per Common Share – Basic	\$0.43	\$1.17	\$0.36	\$3.53
Diluted	\$0.43	\$1.16	\$0.36	\$3.47

NOTES: 1) The results for the fourth quarter of 2009 were favorably affected by a decrease in the LIFO reserve of \$489,000 after tax, or \$0.41 per share basic and diluted. There was no material LIFO adjustment for the fourth quarter of 2008.

The results for the year ended December 31, 2009, were favorably affected by a decrease in the LIFO reserve of \$3,361,000 after tax, or \$2.82 per share (\$2.81 diluted). There was no material LIFO adjustment for the year ended December 31, 2008.

2) The full year of 2009, the fourth quarter of 2008, and a portion of the year 2008 included the results of Mueller B.V., a wholly owned Dutch subsidiary. Mueller B.V.'s results have been included since April 18, 2008, when it acquired Paltrok Beheer B.V. Additionally, the MEKO companies were acquired as of October 1, 2008.

Mueller B.V.'s sales were \$13,405,000 and \$17,325,000 for the fourth quarter of 2009 and 2008, respectively. Net Income was \$250,000, or \$0.21 per share basic and diluted, and \$626,400, or \$0.53 per share (\$0.52 diluted) for the fourth quarter of 2009 and 2008, respectively. Mueller B.V.'s results for the full year of 2009 included sales of \$57,822,000 and \$30,871,000 for the partial year 2008. Net income for the full year of 2009 was \$2,941,000, or \$2.47 per share (2.46 diluted), and for the partial year in 2008 was \$1,315,000, or \$1.12 per share (\$1.11 diluted).

Mueller B.V.'s net income for the fourth quarter and for the partial year 2008 was reduced by amortization of an intangible asset (the value of the backlog of the companies acquired during 2008). For the fourth quarter 2008, amortization was \$384,700 after tax, or \$0.32 per share (basic and diluted); and for the partial year 2008, amortization was \$1,112,000 after tax, or \$0.95 per share (\$0.94 diluted).

3) Selling, general, and administrative expenses attributable to Mueller B.V. included \$5,932,000 and \$6,526,000 for the fourth quarter of 2009 and 2008, respectively, and \$21,929,000 and \$7,443,000 for 2009 and for the partial year of 2008, respectively.

4) The effective tax rates for the fourth quarter of 2009 and the full year of 2009 vary from the statutory rate (34%) due to the tax benefits of the domestic operating losses, tax credits, and the reversal of a valuation allowance.

PAUL MUELLER COMPANY

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**SUMMARIZED CONSOLIDATED BALANCE SHEETS**

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	December 31 2009	December 31 2008
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Current Assets	\$ 43,317,000	\$ 73,852,000
Net Property, Plant, and Equipment	51,948,000	55,317,000
Other Assets	20,368,000	22,963,000
Total Assets	<hr/> \$ 115,633,000	<hr/> \$ 152,132,000
Current Liabilities	\$ 40,665,000	\$ 68,458,000
Long-Term Debt	27,154,000	33,926,000
Other Long-Term Liabilities	22,882,000	29,638,000
Shareholders' Investment	24,932,000	20,110,000
Total Liabilities and Shareholders' Investment	<hr/> \$ 115,633,000	<hr/> \$ 152,132,000
Book Value per Common Share	\$19.69	\$16.14
Total Shares Outstanding	1,266,229	1,245,630
Backlog	\$ 31,091,000	\$ 56,421,000

