

MUELLER®

IMMEDIATE RELEASE
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TRADED: OTC (MUEL)
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SPRINGFIELD, MISSOURI -- PAUL MUELLER COMPANY (OTC: MUEL.PK) TODAY RELEASED ITS THIRD QUARTER REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2008, 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	
	2008	2007	2008	2007	2008	2007
	Net Sales	\$ 50,564,000	\$ 58,424,000	\$ 152,595,000	\$ 161,703,000	\$ 232,039,000
Cost of Sales	43,140,000	51,688,000	127,875,000	137,281,000	191,453,000	183,000,000
Gross Profit	\$ 7,424,000	\$ 6,736,000	\$ 24,720,000	\$ 24,422,000	\$ 40,586,000	\$ 35,301,000
Selling, General and Administrative Expense	6,455,000	6,557,000	20,675,000	18,977,000	26,973,000	25,467,000
Operating Income	\$ 969,000	\$ 179,000	\$ 4,045,000	\$ 5,445,000	\$ 13,613,000	\$ 9,834,000
Other Income (Expense)	(134,000)	185,000	(18,000)	684,000	(1,121,000)	511,000
Income before Provision for Income Taxes	\$ 835,000	\$ 364,000	\$ 4,027,000	\$ 6,129,000	\$ 12,492,000	\$ 10,345,000
Provision for Income Taxes	179,000	137,000	1,315,000	2,232,000	4,591,000	453,000
Net Income	\$ 656,000	\$ 227,000	\$ 2,712,000	\$ 3,897,000	\$ 7,901,000	\$ 9,892,000
Earnings per Common Share — Basic	\$0.57	\$0.20	\$2.34	\$3.38	\$6.75	\$8.58
Diluted	\$0.56	\$0.19	\$2.30	\$3.32	\$6.63	\$8.43

- NOTES: 1) The third quarter of 2008 includes the results for Mueller B.V., a wholly owned Dutch subsidiary, which acquired all the outstanding stock of Paltrok Beheer B.V. as of April 18, 2008, the acquisition date. Mueller B.V.'s sales were \$7,521,000, and net income was \$342,000 for the third quarter of 2008.
- 2) Net income for the third quarter of 2008 was favorably affected by a decrease in the LIFO reserve of \$185,000, after tax; while net income for the third quarter of 2007 was adversely affected by an increase in the LIFO reserve of \$1,046,000, after tax. Net income for the nine months ended September 30, 2008, was adversely affected by an increase in the LIFO reserve of \$200,000, after tax; while 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.
- 3) Other income (expense) for the twelve months ended September 30, 2008, includes an additional 401(k) match for 2007 and amortization of an intangible asset (the value of the backlog of Paltrok Beheer B.V. at the acquisition date of April 18, 2008).
- 4) 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.

SUMMARIZED CONSOLIDATED BALANCE SHEETS

	September 30 2008	December 31 2007
Current Assets	\$ 67,636,000	\$ 69,785,000
Net Property, Plant, and Equipment	36,454,000	27,415,000
Other assets	13,921,000	4,932,000
Total Assets	\$ 118,011,000	\$ 102,132,000
Current Liabilities	\$ 59,554,000	\$ 57,218,000
Long-Term Debt	16,511,000	3,083,000
Other Long-Term Liabilities	13,873,000	14,434,000
Shareholders' Investment	28,073,000	27,397,000
Total Liabilities and Shareholders' Investment	\$ 118,011,000	\$ 102,132,000
Book Value per Common Share	\$23.13	\$22.86
Backlog	\$ 76,319,000	\$ 69,270,000

