

For Immediate Release

Paul Mueller Company Announces its Earnings for the year 2015

Springfield, Missouri – March 18, 2016. Paul Mueller Company (OTC: MUEL) today announced earnings for the year ended December 31, 2015. The 2015 Annual Report is available at: www.paulmueller.com.

**PAUL MUELLER COMPANY
 TWELVE-MONTH REPORT**

CONSOLIDATED STATEMENTS OF INCOME

| | Three Months Ended December 31 | | Twelve Months Ended December 31 | |
|---|-----------------------------------|---------------|------------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | Net Sales | \$ 44,140,000 | \$ 50,555,000 | \$ 178,595,000 |
| Cost of Sales | 32,096,000 | 37,285,000 | 126,362,000 | 147,189,000 |
| Gross Profit | \$ 12,044,000 | \$ 13,270,000 | \$ 52,233,000 | \$ 53,524,000 |
| Selling, General and Administrative Expense | 8,712,000 | 11,283,000 | 39,035,000 | 42,616,000 |
| Operating Income | \$ 3,332,000 | \$ 1,987,000 | \$ 13,198,000 | \$ 10,908,000 |
| Other Income (Expense) | 26,000 | (358,000) | (585,000) | (894,000) |
| Income before Provision for Income Taxes | \$ 3,358,000 | \$ 1,629,000 | \$ 12,613,000 | \$ 10,014,000 |
| Provision (Benefit) for Income Taxes | 1,680,000 | 643,000 | 4,009,000 | 3,137,000 |
| Net Income | \$ 1,678,000 | \$ 986,000 | \$ 8,604,000 | \$ 6,877,000 |
| Earnings per Common Share — | | | | |
| Basic | \$1.36 | \$0.80 | \$6.97 | \$5.60 |
| Diluted | \$1.36 | \$0.80 | \$6.95 | \$5.56 |

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Twelve Months Ended December 31 | |
|---|------------------------------------|----------------|
| | 2015 | 2014 |
| Net Income | \$ 8,604,000 | \$ 6,877,000 |
| Other Comprehensive Income, Net of Tax: | | |
| Foreign Currency Translation Adjustment | (2,774,000) | (3,019,000) |
| Change in Pension Liability | 1,744,000 | (11,531,000) |
| Amortization of De-Designated Hedges | 26,000 | 33,000 |
| Comprehensive Income | \$ 7,600,000 | \$ (7,640,000) |

CONSOLIDATED BALANCE SHEETS

| | December 31 2015 | December 31 2014 |
|--|---------------------|---------------------|
| Accounts Receivable | \$ 22,587,000 | \$ 24,289,000 |
| Inventories | 31,941,000 | 26,517,000 |
| Other Current Assets | 8,312,000 | 10,132,000 |
| Current Assets | \$ 62,840,000 | \$ 60,938,000 |
| Net Property, Plant, and Equipment | 35,718,000 | 34,646,000 |
| Other Assets | 20,038,000 | 24,438,000 |
| Total Assets | \$ 118,596,000 | \$ 120,022,000 |
| Accounts Payable | \$ 11,672,000 | \$ 10,843,000 |
| Current Maturities and Short-Term debt | 10,868,000 | 23,136,000 |
| Other Current Liabilities | 25,775,000 | 22,548,000 |
| Current Liabilities | \$ 48,315,000 | \$ 56,527,000 |
| Long-Term Debt | 5,003,000 | 1,991,000 |
| Long-Term Pension Liabilities | 32,527,000 | 36,004,000 |
| Other Long-Term Liabilities | 1,004,000 | 1,361,000 |
| Total Liabilities | 86,849,000 | 95,883,000 |
| Shareholders' Investment | 31,747,000 | 24,139,000 |
| Total Liabilities and Shareholders' Investment | \$ 118,596,000 | \$ 120,022,000 |

SELECTED FINANCIAL DATA

| | December 31 2015 | December 31 2014 |
|-----------------------------|---------------------|---------------------|
| Book Value per Common Share | \$25.66 | \$19.51 |
| Total Shares Outstanding | 1,237,220 | 1,237,379 |
| Backlog | \$ 58,385,000 | \$ 53,953,000 |

CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT

| | Common Stock | Paid-in Surplus | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total |
|--|--------------|-----------------|-------------------|----------------|--|---------------|
| Balance, December 31, 2014 | \$ 1,508,000 | \$ 9,695,000 | \$ 55,259,000 | \$ (5,109,000) | \$ (37,214,000) | \$ 24,139,000 |
| Add (Deduct): | | | | | | |
| Net Income | | | 8,604,000 | | | 8,604,000 |
| Other Comprehensive Income, Net of Tax | | | | | (1,004,000) | (1,004,000) |
| Treasury Stock Acquisition | | | | (5,000) | | (5,000) |
| Deferred Compensation | | 13,000 | | | | 13,000 |
| Balance, December 31, 2015 | \$ 1,508,000 | \$ 9,708,000 | \$ 63,863,000 | \$ (5,114,000) | \$ (38,218,000) | \$ 31,747,000 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| | Twelve Months Ended December 31, 2015 | Twelve Months Ended December 31, 2014 |
|--|--|--|
| Operating Activities: | | |
| Net Income | \$ 8,604,000 | \$ 6,877,000 |
| Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities: | | |
| Pension Contributions (Greater) Less than Expense | (1,734,000) | 3,890,000 |
| Bad Debt Expense (Recovery) | 102,000 | (57,000) |
| Depreciation & Amortization | 5,665,000 | 6,009,000 |
| Deferred Tax (Benefit) Expense | 2,463,000 | 1,439,000 |
| Deferred Tax Valuation Allowance - Change | (7,000) | (28,000) |
| (Gain) Loss on Sales of Equipment | 22,000 | (17,000) |
| Other | (84,000) | 75,000 |
| Change in Assets and Liabilities | | |
| (Inc) Dec in Accts and Notes Receivable | (112,000) | (1,681,000) |
| (Inc) Dec in Cost in Excess of Estimated Earnings and Billings | (30,000) | (6,000) |
| (Inc) Dec in Inventories | (6,769,000) | (1,775,000) |
| (Inc) Dec in Prepayments | 868,000 | (1,348,000) |
| (Inc) Dec Other Assets | 408,000 | 356,000 |
| (Inc) Dec Deferred Tax Assets | 905,000 | (7,236,000) |
| Inc (Dec) in Accounts Payable | 3,466,000 | 4,697,000 |
| Inc (Dec) Other Accrued Expenses | (5,326,000) | 950,000 |
| Inc (Dec) Advanced Billings | 5,441,000 | (1,953,000) |
| Inc (Dec) in Billings in Excess of Costs and Estimated Earnings | 1,952,000 | (1,538,000) |
| Inc (Dec) In Other Liabilities | (156,000) | 13,000 |
| Net Cash Provided by Operating Activities | \$ 15,678,000 | \$ 8,667,000 |
| Investing Activities | | |
| Proceeds from Sales of Equipment | 79,000 | 55,000 |
| Additions to Property and Equipment | (8,767,000) | (6,983,000) |
| Net Cash Required for Investing Activities | \$ (8,688,000) | \$ (6,928,000) |
| Financing Activities | | |
| Proceeds (Repayment) of Short-Term Borrowings, Net | (8,624,000) | 6,605,000 |
| Proceeds (Repayment) of Long-Term Debt | 379,000 | (7,501,000) |
| Treasury Stock Acquisitions | (5,000) | (7,000) |
| Net Cash Required for Financing Activities | \$ (8,250,000) | \$ (903,000) |
| Effect of Exchange Rate Changes | 403,000 | 387,000 |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ (857,000) | \$ 1,223,000 |
| Cash and Cash Equivalents at Beginning of Year | 1,402,000 | 179,000 |
| Cash and Cash Equivalents at End of Year | \$ 545,000 | \$ 1,402,000 |

PAUL MUELLER COMPANY
SUMMARIZED NOTES TO THE FINANCIAL STATEMENTS

(1) Results of Operations:

- A. The chart below depicts the net revenue on a consolidating basis for the three months ended December 31.

| Three Months Ended December 31 | | |
|--------------------------------|--------------|---------------|
| Revenue | 2015 | 2014 |
| Domestic | \$26,597,000 | \$33,972,000 |
| Mueller BV | \$17,980,000 | \$17,648,000 |
| Eliminations | (\$437,000) | (\$1,065,000) |
| Net Revenue | \$44,140,000 | \$50,555,000 |

The chart below depicts the net revenue on a consolidating basis for the twelve months ended December 31.

| Twelve Months Ended December 31 | | |
|---------------------------------|---------------|---------------|
| Revenue | 2015 | 2014 |
| Domestic | \$117,381,000 | \$132,846,000 |
| Mueller BV | \$63,577,000 | \$70,915,000 |
| Eliminations | (\$2,363,000) | (\$3,048,000) |
| Net Revenue | \$178,595,000 | \$200,713,000 |

The chart below depicts the net income on a consolidating basis for the three months ended December 31.

| Three Months Ended December 31 | | |
|--------------------------------|-------------|-------------|
| Net Income | 2015 | 2014 |
| Domestic | \$1,346,000 | (\$74,000) |
| Mueller BV | \$307,000 | \$1,168,000 |
| Eliminations | \$25,000 | (\$108,000) |
| Net Income | \$1,678,000 | \$986,000 |

The chart below depicts the net income on a consolidating basis for the twelve months ended December 31.

| Twelve Months Ended December 31 | | |
|---------------------------------|-------------|-------------|
| Net Income | 2015 | 2014 |
| Domestic | \$4,586,000 | \$2,345,000 |
| Mueller BV | \$4,071,000 | \$4,534,000 |
| Eliminations | (\$53,000) | (\$2,000) |
| Net Income | \$8,604,000 | \$6,877,000 |

- B.** The pre-tax results for the three months ended December 31, 2015, were favorably affected by a \$550,000 decrease in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2015, were favorably affected by a \$1,050,000 decrease in the LIFO reserve. The pre-tax results for the three months ended December 31, 2014, were unfavorably affected by a \$516,000 increase in LIFO reserve. The pre-tax results for the twelve months ended December 31, 2014, were unfavorably affected by a \$1,016,000 increase in the LIFO reserve.
- C.** The Company's subsidiary, Mueller Field Operations, Inc. was involved in an accident involving a field fabricated tank on September 14, 2014. A \$2.9 million pre-tax reserve was established for the full contract value of the original order and certain insurance deductibles. In 2015, the Company completed the fabrication of the new tank which is now in operation with \$0.5 million recognized into pretax income. All efforts to recover insurance related to this claim have been resolved except for on-going litigation with the manufacturer's error and omissions carrier.
- D.** On February 25, 2016, the Company amended the domestic bank borrowing agreement to extend the agreement until February 28, 2019, and added an additional financial leverage covenant of Total Debt to EBITDA which shall not exceed 3 to 1 at the end of each quarter for the trailing twelve months.
- E.** On March 18, 2016, the Company announced their intent to offer voluntary one-time lump-sum payments to former employees who have not yet begun drawing a benefit from one of the pension plans covering employees who are represented by a bargaining unit and employees who are not represented by a bargaining unit. Those eligible to receive the voluntary offer are any participants in the plans who are no longer employed by the company by May 6, 2016, and have not yet begun drawing a benefit from the plan. The lump sum payments will be distributed on or about October 1, 2016.
- F.** On March 18, 2016, the Company announced a repurchase program of up to \$3 million of the Company's common stock. The stock repurchases may be made from time to time in the open market, in compliance with a Rule 10b5-1 share repurchase plan adopted by the Company, or in privately negotiated transactions in compliance

with applicable state and federal securities laws. The timing and amounts of any repurchases will be based on market conditions and other factors including price, regulatory requirements, and capital availability. The program does not require the repurchase of any minimum number of shares and may be suspended, modified, or discontinued at any time, without prior notice.

- G. The consolidated financials are affected by the euro to dollar exchange rate when consolidating Mueller B.V., the Dutch subsidiary. The month-end euro to dollar exchange rate was 1.22 for December, 2014 and 1.09 for December, 2015, respectively.

(2) Summary of Accounting Policies:

Principles of Consolidation and Lines of Business—The financial statements include the accounts of Paul Mueller Company and its wholly owned subsidiaries: Mueller Transportation, Inc.; Mueller Field Operations, Inc.; and Mueller B.V. and its subsidiaries (collectively “Company”). All significant intercompany balances and transactions have been eliminated in consolidation. The Company provides manufactured equipment and components for the food, dairy, beverage, transportation, chemical, pharmaceutical, and other industries, as well as the dairy farm market. The Company also provides field fabrication, service and repair, and construction services in these industries.

This press release contains forward-looking statements that provide current expectations of future events based on certain assumptions. All statements regarding future performance growth, conditions, or developments are forward-looking statements. Actual future results may differ materially from those described in the forward-looking statements due to a variety of factors, including, but not limited to, the factors described on page 30 of the Company’s 2015 Annual Report, which is available at paulmueller.com. The Company expressly disclaims any obligation or undertaking to update these forward-looking statements to reflect any future events or circumstances.

For all other relevant accounting policies and management discussion and analysis, please see the 2015 annual report, which is available at www.paulmueller.com.