

# MUELLER

## News Release

DATE: March 7, 2013

SYMBOL: OTC (MUEL)

FOR RELEASE: Immediate

FOR FURTHER INFORMATION CONTACT:  
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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY (OTC: MUEL) TODAY REPORTED ITS UNAUDITED EARNINGS FOR THE YEAR ENDED 2012.

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

	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011	2012	2011
Net Sales	\$ 48,865,000	\$ 43,978,000	\$ 179,561,000	\$ 154,181,000
Cost of Sales	39,181,000	32,545,000	133,447,000	106,897,000
Gross Profit	\$ 9,684,000	\$ 11,433,000	\$ 46,114,000	\$ 47,284,000
Selling, General and Administrative Expense	10,625,000	8,745,000	42,036,000	43,925,000
Operating Income (Loss)	\$ (941,000)	\$ 2,688,000	\$ 4,078,000	\$ 3,359,000
Other Income (Expense)	(299,000)	163,000	(813,000)	(1,285,000)
Income (Loss) before Provision for Income Taxes	\$ (1,240,000)	\$ 2,851,000	\$ 3,265,000	\$ 2,074,000
Provision (Benefit) for Income Taxes	321,000	(739,000)	1,300,000	57,000
Net Income (Loss)	\$ (1,561,000)	\$ 3,590,000	\$ 1,965,000	\$ 2,017,000
Earnings per Common Share — Basic	(\$1.28)	\$2.96	\$1.61	\$1.68
Diluted	(\$1.28)	\$2.96	\$1.59	\$1.68

### SUMMARIZED CONSOLIDATED BALANCE SHEETS

	December 31 2012	December 31 2011
Current Assets	\$ 55,922,000	\$ 51,251,000
Net Property, Plant, and Equipment	34,025,000	36,251,000
Other assets	18,614,000	16,372,000
Total Assets	\$ 108,561,000	\$ 103,874,000
Current Liabilities	\$ 59,524,000	\$ 52,219,000
Long-Term Debt	14,404,000	13,066,000
Other Long-Term Liabilities	36,098,000	30,350,000
Shareholders' Investment (Deficit)	(1,465,000)	8,239,000
Total Liabilities and Shareholders' Investment	\$ 108,561,000	\$ 103,874,000
Book Value per Common Share	(\$1.18)	\$6.58
Total Shares Outstanding	1,239,628	1,252,977
Backlog	\$ 47,929,000	\$ 51,714,000

### NOTES

- For the three and twelve months ended December 31, 2012, domestic sales were \$34,601,000 and \$122,043,000, respectively, and the net loss was \$2,422,000 and \$1,638,000, respectively. For the three months and twelve months ended December 31, 2012, Mueller B.V. sales were \$14,264,000 and \$57,518,000, respectively, and net income was \$861,000 and \$3,603,000, respectively. For the three and twelve months ended December 31, 2011, domestic sales were \$27,913,000 and \$95,077,000, respectively, and the net income was \$2,653,000 and net loss was \$1,007,000, respectively. For the three months and twelve months ended December 31, 2011, Mueller B.V. sales were \$16,065,000 and \$59,104,000, respectively, and net income was \$937,000 and \$3,024,000, respectively.
- The arbitration between the company and the former CEO Matthew T. Detelich was settled on December 19, 2012. The settlement satisfied all remaining obligations to Mr. Detelich under his employment agreement and supplementary retirement plan. Mr. Detelich remains a participant in the company's standard defined benefit retirement plan. The results for the three and twelve months ended December 31, 2012, were adversely affected by expenses associated with payments to Mr. Detelich of \$1,330,000 and \$2,042,000, respectively. The results for the three and twelve months ended December 31, 2011, were adversely affected by expenses associated with payments to Mr. Detelich of \$185,000 and \$3,813,000, respectively.
- The results for the three months ended December 31, 2012, were adversely affected by an increase in LIFO reserve of \$26,000. The results for the twelve months ended December 31, 2012, were favorably affected by a decrease in the LIFO reserve of \$227,000. The results for the three and twelve months ended December 31, 2011, were adversely affected by an increase in the LIFO reserve of \$828,000 and \$1,063,000, respectively.
- The results for the twelve months ended December 31, 2011, were favorably affected by the reduction of the valuation allowance against a portion of the company's net deferred tax assets of \$880,000. No material valuation allowance was recorded in 2012.
- The results for the twelve months ended December 31, 2012, included a non-cash, pre-tax adjustment to Other Comprehensive Income of \$12,221,000 which reduced shareholders' investment. The adjustment was caused by an increase in the pensions' underfunded status due to portfolio performance and certain actuarial assumptions.

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Paul Mueller Company is a manufacturer of high quality stainless steel equipment used in over 100 countries worldwide on dairy farms and in wide varieties of industrial applications, including food, dairy, and beverage processing; pharmaceutical, biotechnological, and chemical processing; water distillation; heat transfer; heat recovery HVAC; and process cooling.

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 32 of the Company's 2011 Annual Report. The Company expressly disclaims any obligation or undertaking to update these forward-looking statements to reflect any future events or circumstances.

PAUL MUELLER COMPANY

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