

# MUELLER®

DATE: July 30, 2012

SYMBOL: MUEL (OTC)

IMMEDIATE RELEASE

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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY (OTC: MUEL) TODAY RELEASED ITS SECOND QUARTER REPORT FOR THE PERIOD ENDED JUNE 30, 2012.

## PAUL MUELLER COMPANY AND SUBSIDIARIES SIX-MONTH REPORT Unaudited

### CONSOLIDATED SUMMARIES OF OPERATIONS

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	2012	2011	2012	2011	2012	2011
Net Sales	\$ 43,490,000	\$ 42,561,000	\$ 84,638,000	\$ 73,389,000	\$ 165,430,000	\$ 145,229,000
Cost of Sales	30,944,000	28,736,000	60,177,000	49,605,000	117,469,000	102,497,000
Gross Profit	\$ 12,546,000	\$ 13,825,000	\$ 24,461,000	\$ 23,784,000	\$ 47,961,000	\$ 42,732,000
Selling, General and Admin. Expenses	10,549,000	13,688,000	20,724,000	23,186,000	41,463,000	43,118,000
Operating Income (Loss)	\$ 1,997,000	\$ 137,000	\$ 3,737,000	\$ 598,000	\$ 6,498,000	\$ (386,000)
Other Income (Expense)	(255,000)	(965,000)	(245,000)	(1,381,000)	(149,000)	(2,420,000)
Income (Loss) Before Provision for Income Taxes	\$ 1,742,000	\$ (828,000)	\$ 3,492,000	\$ (783,000)	\$ 6,349,000	\$ (2,806,000)
Provision for Income Taxes	362,000	373,000	818,000	675,000	200,000	5,436,000
Net Income (Loss)	\$ 1,380,000	\$ (1,201,000)	\$ 2,674,000	\$ (1,458,000)	\$ 6,149,000	\$ (8,242,000)
Income (Loss) per Share						
Basic	\$1.13	(\$1.00)	\$2.20	(\$1.22)	\$5.07	(\$6.90)
Diluted	\$1.13	(\$1.00)	\$2.20	(\$1.22)	\$5.07	(\$6.90)

### SUMMARIZED CONSOLIDATED BALANCE SHEETS

	June 30 2012	December 31 2011
Current Assets	\$ 50,726,000	\$ 51,251,000
Net Property, Plant, and Equipment	34,145,000	36,251,000
Other assets	13,729,000	16,372,000
Total Assets	\$ 98,600,000	\$ 103,874,000
Current Liabilities	\$ 51,993,000	\$ 52,219,000
Long-Term Debt	9,996,000	13,066,000
Other Long-Term Liabilities	25,999,000	30,350,000
Shareholders' Investment	10,612,000	8,239,000
Total Liabilities and Shareholders' Investment	\$ 98,600,000	\$ 103,874,000
Book Value per Common Share	\$8.49	\$6.58
Total Shares Outstanding	1,250,018	1,252,977
Backlog	\$ 66,525,000	\$ 51,714,000

### NOTES

- Domestic sales for the second quarter of 2012 were \$28,810,000 and the net income was \$424,000, compared to 2011 when sales were \$25,823,000 and the net loss was \$2,220,000. For 2012, Mueller BV sales for the second quarter were \$14,680,000 and the net income was \$956,000, compared to 2011 when sales were \$16,738,000 and net income was \$1,019,000.
- The results for the second quarter of 2012 were adversely affected by severance and non-compete expenses of \$453,000. The results for the three months and twelve months ended June 30, 2011, were adversely affected by severance and non-compete expenses of \$777,000 and the accrual of \$2,667,000 (a non-cash charge in May 2011) for the actuarial present value of a life annuity in accordance with the employment agreement of the former President and CEO. The results for the twelve months ended June 30, 2012, were adversely affected by severance and non-compete expenses totaling \$1,187,000.
- The results for the twelve months ended June 30, 2012, included the sale of Springfield Brewing Company to Front Row Property LLC. The selling price was \$3,000,000 which included a promissory note for \$400,000 payable over five years. The gain on the sale of Springfield Brewing Company was \$580,000.
- The results for the twelve months ended June 30, 2012, were adversely affected by an increase in the LIFO reserve of \$883,000. The results for the twelve months ended June 30, 2011, were adversely affected by an increase of the LIFO reserve of \$322,000.

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