

# MUELLER

DATE: October 26, 2012

SYMBOL: MUEL (OTC)

IMMEDIATE RELEASE

FOR FURTHER INFORMATION, CONTACT:  
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 Springfield, Missouri  
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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY (OTC: MUEL) TODAY RELEASED ITS THIRD QUARTER REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2012.

## 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	
	2012	2011	2012	2011	2012	2011
Net Sales	\$ 46,058,000	\$ 36,814,000	\$ 130,696,000	\$ 110,203,000	\$ 174,674,000	\$ 145,081,000
Cost of Sales	34,089,000	24,748,000	94,266,000	74,352,000	126,811,000	98,471,000
Gross Profit	\$ 11,969,000	\$ 12,066,000	\$ 36,430,000	\$ 35,851,000	\$ 47,863,000	\$ 46,610,000
Selling, General and Administrative Expense	10,688,000	11,074,000	31,412,000	34,260,000	41,077,000	45,206,000
Operating Income	\$ 1,281,000	\$ 992,000	\$ 5,018,000	\$ 1,591,000	\$ 6,786,000	\$ 1,404,000
Other Income (Expense)	(268,000)	(987,000)	(513,000)	(2,368,000)	570,000	(2,745,000)
Income before Provision for Income Taxes	\$ 1,013,000	\$ 5,000	\$ 4,505,000	\$ (777,000)	\$ 7,356,000	\$ (1,341,000)
Provision for Income Taxes	161,000	121,000	979,000	797,000	239,000	6,010,000
Net Income	\$ 852,000	\$ (116,000)	\$ 3,526,000	\$ (1,574,000)	\$ 7,117,000	\$ (7,351,000)
Earnings per Common Share -- Basic	\$0.70	(\$0.10)	\$2.90	(\$1.32)	\$5.86	(\$6.15)
Diluted	\$0.70	(\$0.10)	\$2.90	(\$1.32)	\$5.86	(\$6.15)

### SUMMARIZED CONSOLIDATED BALANCE SHEETS

	September 30 2012	December 31 2011
Current Assets	\$ 58,889,000	\$ 51,251,000
Net Property, Plant, and Equipment	33,823,000	36,251,000
Other assets	13,625,000	16,372,000
Total Assets	\$ 106,337,000	\$ 103,874,000
Current Liabilities	\$ 59,133,000	\$ 52,219,000
Long-Term Debt	9,171,000	13,066,000
Other Long-Term Liabilities	26,163,000	30,350,000
Shareholders' Investment	11,870,000	8,239,000
Total Liabilities and Shareholders' Investment	\$ 106,337,000	\$ 103,874,000
Book Value per Common Share	\$9.50	\$6.58
Total Shares Outstanding	1,250,018	1,252,977
Backlog	\$ 57,955,000	\$ 51,714,000

### NOTES

- Domestic sales for the three months and nine months ended September 30, 2012, were \$32,833,000 and \$87,442,000, respectively and the net income was \$499,000 and \$784,000, respectively, compared to 2011 when sales were \$24,026,000 and \$67,164,000, respectively, and the net loss was \$361,000 and \$3,661,000, respectively. For Mueller BV, sales for the three months and nine months ended September 30, 2012, were \$13,225,000 and \$43,254,000, respectively, and net income was \$353,000 and \$2,742,000, respectively, compared to 2011 when sales were \$12,788,000 and \$43,040,000, respectively, and net income was \$245,000 and \$2,087,000, respectively.
- The results for the three months, nine months, and twelve months ended September 30, 2012, were adversely affected by severance and non-compete expenses of \$235,000, \$872,000, and \$1,057,000, respectively. The results for the three months ended September 30, 2011, were adversely affected by severance and non-compete expenses of \$365,000. The results for the nine months and twelve months ended September 30, 2011, were adversely affected by severance and non-compete expenses of \$1,142,000. The results for the nine months and twelve months ended September 30, 2011, were adversely affected by 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 September 30, 2012, included the sale of Springfield Brewing Company to Front Row Property LLC in November 2011. The selling price was \$3,000,000, which included cash and 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 September 30, 2012, were adversely affected by an increase in the LIFO reserve of \$701,000. The results for the twelve months ended September 30, 2011, were adversely affected by an increase in the LIFO reserve of \$370,000.

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.