

For Immediate Release

Paul Mueller Company Announces its First Quarter Earnings for the year 2015

Springfield, Missouri – May 1, 2015. Paul Mueller Company (OTC: MUEL) today announced earnings for the quarter ended March 31, 2015.

PAUL MUELLER COMPANY AND SUBSIDIARIES

THREE-MONTH REPORT

Unaudited

CONSOLIDATED STATEMENTS OF INCOME				
	Three Months Ended March 31		Twelve Months Ended March 31	
	2015	2014	2015	2014
Net Revenue	\$ 44,643,000	\$ 46,012,000	\$ 199,344,000	\$ 185,755,000
Cost of Sales	32,441,000	33,683,000	145,947,000	130,916,000
Gross Profit	\$ 12,202,000	\$ 12,329,000	\$ 53,397,000	\$ 54,839,000
Selling, General and Administrative Expense	9,815,000	10,527,000	41,904,000	40,953,000
Operating Income	\$ 2,387,000	\$ 1,802,000	\$ 11,493,000	\$ 13,886,000
Other Income (Expense)	(130,000)	(114,000)	(910,000)	(756,000)
Income before Provision for Income Taxes	\$ 2,257,000	\$ 1,688,000	\$ 10,583,000	\$ 13,130,000
Provision (Benefit) for Income Taxes	651,000	446,000	3,342,000	(5,585,000)
Net Income	\$ 1,606,000	\$ 1,242,000	\$ 7,241,000	\$ 18,715,000
Earnings per Common Share — Basic	\$1.31	\$1.01	\$5.89	\$15.30
Diluted	\$1.30	\$1.01	\$5.85	\$15.20

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)		
	Three Months Ended March 31	
	2015	2014
Net Income	\$ 1,606,000	\$ 1,242,000
Other Comprehensive Income, Net of Tax:		
Foreign Currency Translation Adjustment	(2,941,000)	7,000
Amortization of De-Designated Hedges	(10,000)	7,000
Comprehensive Income (Loss)	\$ (1,345,000)	\$ 1,256,000

CONSOLIDATED BALANCE SHEETS		
	March 31 2015	December 31 2014
Current Assets	\$ 65,648,000	\$ 60,938,000
Net Property, Plant, and Equipment	34,340,000	34,646,000
Other Assets	23,021,000	24,438,000
Total Assets	\$ 123,009,000	\$ 120,022,000
Current Liabilities	\$ 61,665,000	\$ 56,527,000
Long-Term Debt	1,480,000	1,991,000
Other Long-Term Liabilities	37,060,000	37,365,000
Shareholders' Investment	22,804,000	24,139,000
Total Liabilities and Shareholders' Investment	\$ 123,009,000	\$ 120,022,000

SELECTED FINANCIAL DATA		
	March 31 2015	December 31 2014
Book Value per Common Share	\$18.43	\$19.51
Total Shares Outstanding	1,237,379	1,237,379
Backlog	\$ 53,453,000	\$ 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			1,606,000			1,606,000
Other Comprehensive Income, Net of Tax					(2,951,000)	(2,951,000)
Deferred Compensation		10,000				10,000
Balance, March 31, 2015	\$ 1,508,000	\$ 9,705,000	\$ 56,865,000	\$ (5,109,000)	\$ (40,165,000)	\$ 22,804,000

CONSOLIDATED STATEMENT OF CASH FLOWS

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Cash Flows from Operating Activities:		
Net Income	\$ 1,606,000	\$ 1,242,000
Adjustment to Reconcile Net Income to Net Cash (Required) Provided by Operating Activities:		
Pension Contributions (Greater) Less than Expense	(14,000)	(230,000)
Bad Debt Expense (Recovery)	38,000	4,000
Depreciation & Amortization	1,293,000	1,317,000
Other	(48,000)	9,000
Change in Assets and Liabilities, Net of Effect of Acquisitions-		
(Inc) Dec in Accts and Notes Receivable	(583,000)	(1,014,000)
(Inc) Dec in Cost in Excess of Estimated Earnings and Billings	(2,789,000)	(128,000)
(Inc) Dec in Inventories	(4,459,000)	(1,842,000)
(Inc) Dec in Prepayments	(418,000)	(290,000)
(Inc) Dec Other Assets	408,000	369,000
Inc (Dec) in Accounts Payable	5,674,000	2,834,000
Inc (Dec) Other Accrued Expenses	279,000	(878,000)
Inc (Dec) Advanced Billings	3,192,000	4,410,000
Inc (Dec) in Billings in Excess of Costs and Estimated Earnings	68,000	(346,000)
Inc (Dec) In Other Long-Term Liabilities	(190,000)	(54,000)
Net Cash (Required) Provided by Operating Activities	\$ 4,057,000	\$ 5,403,000
Cash Flows (Requirements) from Investing Activities		
Proceeds from Sales of Equipment	45,000	24,000
Additions to Property and Equipment	(3,327,000)	(1,162,000)
Net Cash (Required) Provided by Investing Activities	\$ (3,282,000)	\$ (1,138,000)
Cash Flows (Requirements) from Financing Activities		
Proceeds (Repayment) of Short-Term Borrowings	(1,284,000)	(1,047,000)
Proceeds (Repayment) of Long-Term Debt	(323,000)	(3,219,000)
Other	-	(7,000)
Net Cash (Required) Provided by Financing Activities	\$ (1,607,000)	\$ (4,273,000)
Effect of Exchange Rate Changes	(70,000)	(14,000)
Net (Decrease) in Cash and Cash Equivalents	\$ (902,000)	\$ (22,000)
Cash and Cash Equivalents at Beginning of Year	1,402,000	179,000
Cash and Cash Equivalents at End of Quarter	\$ 500,000	\$ 157,000

Paul Mueller Company is a manufacturer of high quality stainless steel equipment used worldwide on dairy farms and in wide varieties of industrial applications, including food, dairy, and beverage processing; transportation; 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 34 of the Company's 2014 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.

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 March 31.

Three Months Ended March 31		
Revenue	2015	2014
Domestic	\$ 29,971,000	\$ 28,894,000
Mueller BV	\$ 15,503,000	\$ 17,650,000
Eliminations	\$ (831,000)	\$ (532,000)
Net Revenue	\$ 44,643,000	\$ 46,012,000

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

Twelve Months Ended March 31		
Revenue	2015	2014
Domestic	\$ 133,922,000	\$ 123,683,000
Mueller BV	\$ 68,769,000	\$ 64,702,000
Eliminations	\$ (3,347,000)	\$ (2,630,000)
Net Revenue	\$ 199,344,000	\$ 185,755,000

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

Three Months Ended March 31		
Net Income	2015	2014
Domestic	\$ 470,000	\$ 24,000
Mueller BV	\$ 1,192,000	\$ 1,161,000
Eliminations	\$ (56,000)	\$ 57,000
Net Income	\$ 1,606,000	\$ 1,242,000

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

Twelve Months Ended March 31		
Net Income	2015	2014
Domestic	\$ 2,791,000	\$ 14,740,000
Mueller BV	\$ 4,565,000	\$ 3,992,000
Eliminations	\$ (115,000)	\$ (17,000)
Net Income	\$ 7,241,000	\$ 18,715,000

- B. The results for the twelve months ended March 31, 2015, were unfavorably affected by a \$1,016,000 increase in the LIFO reserve. The results for the twelve months ended March 31, 2014, were favorably affected by a \$665,000 decrease in the LIFO reserve.
- C. The results for the twelve months ended March 31, 2014, were favorably affected by a \$10,120,000 reduction in the valuation allowance against the net deferred tax assets.
- D. The results for the twelve months ended March 31, 2015 were adversely affected by an accident on September 14, 2014 involving the construction of a field fabricated tank. A \$2,900,000 reserve was established for the full contract value of the original order and certain insurance deductibles. While various contractual and insurance issues are still uncertain, the \$2,900,000 reserve is still management's best estimate.
- E. The results for the twelve months ended March 31, 2015, included an \$11,531,000 non-cash, pre-tax adjustment to Other Comprehensive Income which reduced shareholders' investment. The adjustment was caused by an increase in the pensions' underfunded status due to market conditions and actuarial assumptions. The results for the twelve months ended March 31, 2014, included a non-cash, pre-tax adjustment to Other Comprehensive Income of \$13,230,000 which increased shareholders' investment. The adjustment was caused by a decrease in the pensions' underfunded status due to market conditions and actuarial assumptions.
- F. 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 1.38 for March, 2014; 1.22 for December, 2014 and 1.08 for March, 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.

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