

# MUELLER

## News Release

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**SYMBOL:** OTC (MUEL)

**FOR RELEASE:** Immediate

**FOR FURTHER INFORMATION CONTACT:**

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### MUELLER® TO RECALL EMPLOYEES

Paul Mueller Company announced a production layoff on December 17, 2009, which was in conjunction with the plant holiday shutdown that had been scheduled for several weeks.

Looking to the New Year, the level of new orders entered during December 2009 was positive and the outlook for 2010 is encouraging, as quoting activity for Industrial Equipment has improved. Additionally, milk prices increased during late 2009 and are expected to continue to improve during 2010. The week of December 28, 2009, the Company notified the first 114 employees to be called back from layoff. These workers are to return to work on January 11, 2010. Subsequent callbacks will be made as required to support production needs.

During 2009, our European and field service businesses performed profitably. However, the capital equipment market has been in a recessionary state since 2008. As a result, both our Osceola, Iowa and Springfield, Missouri plants experienced a substantial reduction in production volume and, consequently, employee layoffs were necessary. The significant reduction in demand for capital equipment had the most impact on the main Springfield plant, which deals primarily with "engineer-to-order" (ETO) projects.

Over the last year, the Company has taken steps to "right-size" the ETO business to ensure its future success. The goal is to provide our customers with products and services at the most competitive prices possible, while at the same time maximizing the return on investment for our shareholders, even in the most difficult of economic times. Beginning in late November and early December, communication meetings were held with all employees to discuss the challenges of our ETO business. During these meetings, employees were updated on the changes that were made and that will need to be made to ensure the future success of the Springfield operation.

A meeting was held with the Springfield plant Employee Bargaining Unit Committee on January 6, 2010, to communicate the call-back plan for employees. During the meeting, the significant reductions in operating costs the Company has planned for 2010 were discussed in addition to the major reductions in non-bargaining unit personnel, which have been implemented at the Springfield operation. The discussion also covered the implementation of changes in the Springfield production area which are needed to improve the overall operating performance and enhance continued employment

opportunities. The Springfield plant Employee Bargaining Unit Committee has been very open and cooperative in past efforts to implement effective change in Springfield; and as a result, we expect our discussions will result in additional changes toward a stronger and more profitable company.

Despite the difficult economic times, the Company remains financially strong and committed to the ETO business.

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Mueller is one of the leading manufacturers of processing systems and has invested extensively in equipment and personnel to expand its product and service capability, with a focus on providing its customers with a complete project solution. The Company has qualified and experienced employees in product development, engineering, and manufacturing, and it produces stainless steel systems designed to meet the highest quality standards for a wide variety of industrial applications, including food, dairy, and beverage processing; pharmaceutical, biotechnological, and chemical processing; heat transfer and heat recovery; HVAC; thermal energy storage; and cooling applications on dairy farms worldwide.

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 2008 Annual Report. The Company expressly disclaims any obligation or undertaking to update these forward-looking statements to reflect any future events or circumstances.