

# MUELLER®

IMMEDIATE RELEASE  
MONDAY, JULY 21, 2008

TRADED: OTC (MUEL)  
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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY (OTC: MUEL.PK) TODAY RELEASED ITS SECOND QUARTER REPORT FOR THE PERIOD ENDED JUNE 30, 2008, AS FOLLOWS:

## 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	
	2008	2007	2008	2007	2008	2007
Net Sales	\$ 50,176,000	\$ 53,740,000	\$ 102,031,000	\$ 103,279,000	\$ 239,899,000	\$ 196,575,000
Cost of Sales	41,218,000	44,574,000	84,735,000	85,593,000	200,001,000	162,172,000
Gross Profit	\$ 8,958,000	\$ 9,166,000	\$ 17,296,000	\$ 17,686,000	\$ 39,898,000	\$ 34,403,000
Selling, General and Administration Expense	7,433,000	6,666,000	14,220,000	12,420,000	27,075,000	24,511,000
Operating Income	\$ 1,525,000	\$ 2,500,000	\$ 3,076,000	\$ 5,266,000	\$ 12,823,000	\$ 9,892,000
Other Income (Expense)	(124,000)	308,000	116,000	499,000	(802,000)	539,000
Income before Provision for Income Taxes	\$ 1,401,000	\$ 2,808,000	\$ 3,192,000	\$ 5,765,000	\$ 12,021,000	\$ 10,431,000
Provision for Income Taxes	481,000	1,022,000	1,136,000	2,095,000	4,549,000	568,000
Net Income	\$ 920,000	\$ 1,786,000	\$ 2,056,000	\$ 3,670,000	\$ 7,472,000	\$ 9,863,000
Earnings per Common Share — Basic	\$0.79	\$1.55	\$1.78	\$3.18	\$6.47	\$8.56
Diluted	\$0.78	\$1.52	\$1.74	\$3.13	\$6.35	\$8.43

- NOTES: 1) The second quarter of 2008 includes the results for Mueller B.V., a wholly owned Dutch subsidiary, which acquired all the outstanding stock of Paltrok Beheer B.V. as of April 18, 2008, the acquisition date. Mueller B.V.'s sales were \$6,025,000, and net income was \$347,000 for the second quarter of 2008. Mueller B.V.'s results for the quarter were adversely affected by amortization of \$349,000, after tax, of an intangible asset (the value of the backlog at the acquisition date) and a settlement provision of \$248,000, after tax. The backlog reported as of June 30, 2008, includes \$14,564,000 for Mueller B.V.
- 2) Net income for the second quarter of 2008 was adversely affected by an increase in the LIFO reserve of \$154,000, after tax, while net income for the second quarter of 2007 was adversely affected by an increase in the LIFO reserve of \$1,538,000, after tax. Net income for the six months ended June 30, 2008, was adversely affected by an increase in the LIFO reserve of \$384,000, after tax, while net income for the first six months ended June 30, 2007, was adversely affected by an increase in the LIFO reserve of \$2,122,000, after tax.
- 3) The effective tax rate for the twelve months ended June 30, 2007, varied from the statutory rate (34%) due to a noncash credit of \$3,157,000 recorded during the fourth quarter of 2006 to reduce the remaining balance of the valuation allowance established during 2004 for all of the Company's net deferred tax assets.

### SUMMARIZED CONSOLIDATED BALANCE SHEETS

	June 30 2008	December 31 2007
Current Assets	\$ 69,601,000	\$ 69,785,000
Net Property, Plant, and Equipment	37,566,000	27,415,000
Other assets	8,420,000	4,932,000
Total Assets	\$ 115,587,000	\$ 102,132,000
Current Liabilities	\$ 57,000,000	\$ 57,218,000
Long-Term Debt	14,890,000	3,083,000
Other Long-Term Liabilities	15,601,000	14,434,000
Shareholders' Investment	28,096,000	27,397,000
Total Liabilities and Shareholders' Investment	\$ 115,587,000	\$ 102,132,000
Book Value per Common Share	\$23.15	\$22.86
Backlog	\$ 88,163,000	\$ 69,270,000

