

**IMMEDIATE RELEASE
FRIDAY, JULY 20, 2007**

**TRADED: OTC (MUEL)
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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY TODAY RELEASED ITS SECOND QUARTER REPORT FOR THE PERIOD ENDED JUNE 30, 2007, AS FOLLOWS:

Paul Mueller Company and Subsidiaries
SIX-MONTH REPORT
(Unaudited)

CONSOLIDATED SUMMARIES OF OPERATIONS

	Three Months Ended		Six Months Ended		Twelve Months Ended	
	June 30		June 30		June 30	
	2007	2006	2007	2006	2007	2006
Net Sales	\$ 53,740,000	\$ 34,115,000	\$ 103,279,000	\$ 59,591,000	\$ 196,575,000	\$ 130,425,000
Cost of Sales	<u>44,574,000</u>	<u>28,305,000</u>	<u>85,593,000</u>	<u>48,863,000</u>	<u>162,172,000</u>	<u>105,722,000</u>
Gross Profit.....	\$ 9,166,000	\$ 5,810,000	\$ 17,686,000	\$ 10,728,000	\$ 34,403,000	\$ 24,703,000
Selling, General and Admin. Expenses	<u>6,666,000</u>	<u>5,092,000</u>	<u>12,420,000</u>	<u>10,055,000</u>	<u>24,511,000</u>	<u>20,430,000</u>
Operating Income.....	\$ 2,500,000	\$ 718,000	\$ 5,266,000	\$ 673,000	\$ 9,892,000	\$ 4,273,000
Other Income	<u>308,000</u>	<u>228,000</u>	<u>499,000</u>	<u>454,000</u>	<u>539,000</u>	<u>542,000</u>
Income before Provision for Income Taxes.....	\$ 2,808,000	\$ 946,000	\$ 5,765,000	\$ 1,127,000	\$ 10,431,000	\$ 4,815,000
Provision (Benefit) for Income Taxes	<u>1,022,000</u>	<u>264,000</u>	<u>2,095,000</u>	<u>298,000</u>	<u>568,000</u>	<u>(261,000)</u>
Net Income	<u>\$ 1,786,000</u>	<u>\$ 682,000</u>	<u>\$ 3,670,000</u>	<u>\$ 829,000</u>	<u>\$ 9,863,000</u>	<u>\$ 5,076,000</u>
Earnings per Common Share –						
Basic	\$ 1.55	\$ 0.59	\$ 3.18	\$ 0.72	\$ 8.56	\$ 4.40
Diluted.....	\$ 1.52	\$ 0.59	\$ 3.13	\$ 0.71	\$ 8.43	\$ 4.36

FINANCIAL HIGHLIGHTS

	June 30 2007	December 31 2006
Total Assets.....	\$ 115,988,000	\$ 92,816,000
Working Capital.....	\$ 9,747,000	\$ 10,678,000
Current Ratio.....	1.13 : 1	1.19 : 1
Net Worth	\$ 22,987,000	\$ 20,569,000
Book Value Per Share	\$ 19.20	\$ 17.36
Backlog.....	\$ 139,341,000	\$ 116,913,000

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NOTES: 1) Net income for the second quarter of 2007 was adversely affected by an increase in the LIFO reserve of \$1,538,000, after tax, while net income for the second quarter of 2006 was adversely affected by an increase in the LIFO reserve of \$536,000, after tax. Net income for the six months ended June 30, 2007, was adversely affected by an increase in the LIFO reserve of \$2,122,000, after tax, while net income for the first six months of 2006 was adversely affected by an increase in the LIFO reserve of \$657,000, after tax.

2) The effective tax rate for the three months and six months ended June 30, 2006, varied from the statutory rate (34%) due to the effect of the alternative minimum 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. The effective tax rate for the twelve months ended June 30, 2006, varied from the statutory rate (34%) due to the benefit of the net operating loss carryforward, tax credits, and a noncash credit of \$1,200,000 that was a partial reduction of the valuation allowance established during 2004 for all of the Company's net deferred tax assets.

July 20, 2007