

IMMEDIATE RELEASE
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TRADED: OTC (MUEL)
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SPRINGFIELD, MISSOURI — PAUL MUELLER COMPANY TODAY RELEASED ITS FIRST QUARTER REPORT FOR THE PERIOD ENDED MARCH 31, 2007, AS FOLLOWS:

Paul Mueller Company and Subsidiaries

THREE-MONTH REPORT

(Unaudited)

CONSOLIDATED SUMMARIES OF OPERATIONS

	Three Months Ended March 31		Twelve Months Ended March 31	
	2007	2006	2007	2006
Net Sales	\$ 49,539,000	\$ 25,476,000	\$ 176,950,000	\$ 130,826,000
Cost of Sales.....	41,019,000	20,558,000	145,903,000	105,388,000
Gross Profit	\$ 8,520,000	\$ 4,918,000	\$ 31,047,000	\$ 25,438,000
Selling, General and Administrative Expenses	5,754,000	4,963,000	22,937,000	21,229,000
Operating Income (Loss).....	\$ 2,766,000	\$ (45,000)	\$ 8,110,000	\$ 4,209,000
Other Income	191,000	226,000	459,000	404,000
Income before Provision for Income Taxes	\$ 2,957,000	\$ 181,000	\$ 8,569,000	\$ 4,613,000
Provision (Benefit) for Income Taxes	1,073,000	34,000	(190,000)	(126,000)
Net Income.....	\$ 1,884,000	\$ 147,000	\$ 8,759,000	\$ 4,739,000
Earnings per Common Share –				
Basic	\$ 1.64	\$ 0.13	\$ 7.61	\$ 4.09
Diluted.....	\$ 1.61	\$ 0.13	\$ 7.51	\$ 4.06

FINANCIAL HIGHLIGHTS

	March 31 2007	December 31 2006
Total Assets.....	\$ 117,627,000	\$ 92,816,000
Working Capital.....	\$ 10,973,000	\$ 10,678,000
Current Ratio.....	1.14 : 1	1.19 : 1
Net Worth	\$ 21,781,000	\$ 20,569,000
Book Value Per Share	\$ 18.38	\$ 17.36
Backlog.....	\$ 160,517,000	\$ 116,913,000

- NOTES: 1) The effective tax rate for the twelve months ended March 31, 2007, varies 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.
- 2) First quarter 2007 net income was adversely affected by an increase to the LIFO reserve of \$589,000, after tax, or \$0.51 per share (\$0.50 diluted), while first quarter 2006 net income was adversely affected by an increase to the LIFO reserve of \$122,000, after tax, or \$0.11 per share on a basic and diluted basis.
- 3) The effective tax rate for the three months ended March 31, 2006, varies from the statutory rate (34%) due to the effect of the alternative minimum tax.
- 4) The effective tax rate for the twelve months ended March 31, 2006, varies from the statutory rate (34%) due to the benefit of a 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.

MUELLER



April 25, 2007

