

MUELLER

January 24, 2005

Dear Shareholder,

On January 3, 2005, Paul Mueller Company filed a Form 15 with the Securities and Exchange Commission to deregister our common stock and suspend our reporting obligations under the Securities Exchange Act of 1934, which resulted in the delisting of the Company's common stock on the NASDAQ Stock Market. The Company's management and Board of Directors, after careful study and deliberation, have taken this action principally to avoid incurring inordinately high costs for complying with the ongoing requirements of the Sarbanes-Oxley Act of 2002.

The compliance provisions of Sarbanes Oxley, particularly the testing and attestation requirements relating to internal control over financial reporting, would have resulted in significant out-of-pocket costs for items such as additional audit and consulting services and legal expenses. Even more importantly, they would consume extensive human resources within the Company that would include significant work hours for several key executives. In total, our estimate of the additional cost for Sarbanes-Oxley compliance and reporting activities this year, including payroll costs, was approximately \$1.4 million dollars.

Now that this decision has been made, I wish to assure our shareholders that the Company intends to continue to follow good corporate governance practices and provide financial information to our shareholders. The Company will continue to be supervised by the Board of Directors elected by our shareholders. A proxy statement providing information regarding the composition and qualifications of our Board and the compensation paid to officers and directors will be provided each year. Shareholders will continue to have the opportunity to vote by proxy and to attend our Annual Meeting.

Regular mailings of financial information to shareholders will be maintained as they have been in the past. Specifically, we will provide regular quarterly summary financial statements and an annual report containing audited financial statements. We will also provide this information to the market makers to enable them to trade the Company's stock. The Company's common stock is now quoted in the Pink Sheets as MUEL; and some services, such as Yahoo Finance, use the symbol MUEL.PK.

In summary, the decision to deregister and delist our stock will avoid significant cash expenditures and better enable management to focus on the task of successfully operating the business. We intend to continue with good corporate governance practices and continue making financial information available to our shareholders and the financial community.

I trust the above points address the most significant concerns shared by many of our shareholders. Should you have further questions or comments, however, please feel free to contact me or any of the other officers or directors of the Company.

Sincerely,



Dan Manna
President

PAUL MUELLER COMPANY

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