



1st Quarter Report

for the Fiscal Year Ending January 31, 2008

Dear Fellow Shareholder:

We are pleased with the results for the first quarter. Our quotation activity remained high and we continued to achieve solid bookings, which resulted in a record high backlog. First quarter sales were the highest for any first quarter in the Company's history. The strategic measures we implemented last year, which included selected sales price increases and improved purchasing practices, continued to positively impact our gross margins resulting in a higher gross margin for the first quarter ended April 30, 2007 versus the same period last year. In addition, our adjusted first quarter net income and earnings per share increased significantly versus the same period last year.

Sales for the first quarter ended April 30, 2007 were \$21.9 million, which was 11% above last year's first quarter sales of \$19.8 million.

Net income for the first quarter ended April 30, 2007 totaled \$3.9 million compared with \$1.2 million for the same period last year. Excluding the net gain of approximately \$2.2 million on the sale of property previously associated with the Company's Sethco business unit in Hauppauge, New York, Met-Pro's adjusted net income was \$1.7 million in the first quarter ended April 30, 2007, an increase of 38% over the first quarter of last year.

Basic and diluted earnings per share for the first quarter ended April 30, 2007 were \$0.35 and \$0.34, respectively, compared with \$0.11 earned during last year's first quarter. Excluding the net gain on the sale of property, Met-Pro's adjusted basic and diluted earnings per share were each \$0.15 compared with \$0.11 for the first quarter of last year, an increase of 36%.

The Company's backlog of orders as of April 30, 2007 totaled a record high \$30.0 million compared with \$21.5 million as of April 30, 2006, an increase of 40%. Substantially the entire backlog that existed as of April 30, 2007 is expected to be shipped during the current fiscal year.

On March 14, 2007, the Company paid a quarterly dividend of \$0.0675 per share to shareholders of record at the close of business on February 28, 2007. In addition, the Board of Directors, at their meeting on April 4, 2007, declared a quarterly dividend of \$0.0675 per share payable June 12, 2007 to shareholders of record at the close of business on May 29, 2007. This represents an 8% increase over the same period last year. This is the thirty-second consecutive year the Company has paid a cash or stock dividend.

Met-Pro's International sales continued to be strong during the first quarter, totaling \$5.6 million compared with \$4.1 million for the first quarter of last year, an increase of 37%. Working in cooperation with the Company's Systems, Duall and Flex-Kleen Divisions, International Sales received orders to supply a thermal oxidizer/scrubber system for use in a synthetic rubber manufacturing facility located in the Peoples Republic of China, a total of ten Flex-Kleen baghouse and cartridge dust collectors for use in a copper mine located in South America, a dust collector for use in a food processing plant in South America, and two dust collectors to be installed in a petrochemical facility in South East Asia. The total value of these orders is approximately \$2.0 million. All of this equipment is expected to ship in the third quarter of the Company's current fiscal year. In addition, Dean Pump received a \$350,000 order for two all Titanium pumps from a Russian oil company. Dean Pump was selected to supply this equipment based on their ability to provide the specialized construction and machining requirements for these pumps and deliver the equipment in less than half the time of the competition. The two pumps are scheduled to ship during the Company's second quarter.


During the first quarter, Met-Pro was recognized as one of America's "Top Publicly-Held Manufacturers" by *Start-It* magazine. According to Start-It, this list highlights "top publicly-held manufacturers chosen by revenue" in the industrial machinery sector of "discrete Industries".

The record high \$30 million backlog at the end of the first quarter, substantially all of which is expected to ship during the current fiscal year, provides a solid base for future sales growth. The strategic measures we implemented last year, along with the additional ones we have already added this year, and will continue to add, should positively impact our future

gross margins. Our balance sheet remains strong and we will continue to invest in our Company to maximize our future sales and earnings growth.

The measures we have taken to improve our sales and marketing organization and increase our profitability together with a continuing strong demand for our products, our record high backlog and steady quotation activity gives us confidence regarding our prospects for the second quarter and the full fiscal year.

On behalf of all our dedicated and hardworking employees worldwide, thank you very much for your continued interest and support of Met-Pro Corporation.



Raymond J. De Hont
Chairman, President and
Chief Executive Officer

May 31, 2007

This shareholder letter contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Included at the end of this shareholder letter is a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated in accordance with generally accepted accounting principles as well as certain Regulation G disclosures.

Met-Pro Corporation
Consolidated Statement of Operations
(unaudited)

	Three Months Ended	
	April 30,	
	2007	2006
Net sales	\$21,916,609	\$19,779,041
Cost of goods sold	14,997,082	13,923,682
Gross profit	6,919,527	5,855,359
Operating expenses (income)		
Selling	2,069,877	1,896,179
General and administrative	2,483,853	2,358,513
Gain on sale of building	(3,513,940)	-
	1,039,790	4,254,692
Income from operations	5,879,737	1,600,667
Interest expense	(80,152)	(59,805)
Other income, net	217,306	234,798
Income before taxes	6,016,891	1,775,660
Provision for taxes	2,138,648	568,212
Net income	\$3,878,243	\$1,207,448
Basic earnings per share	\$.35	\$.11
Diluted earnings per share	\$.34	\$.11
Average common shares outstanding:		
Basic shares	11,220,577	11,199,599
Diluted shares	11,468,767	11,439,813

Met-Pro Corporation
Consolidated Balance Sheet
(unaudited)

	April 30, 2007	January 31, 2007
Assets		
Current assets		
Cash and cash equivalents	\$24,354,204	\$17,322,194
Marketable securities	27,897	24,090
Accounts receivable, net of allowance for doubtful accounts of approximately \$156,000 and \$133,000, respectively	20,197,550	20,837,589
Inventories	20,613,149	19,296,279
Prepaid expenses, deposits and other current assets	1,717,692	1,748,130
Total current assets	66,910,492	59,228,282
Property, plant and equipment, net	16,114,947	16,832,988
Costs in excess of net assets of business acquired, net	20,798,913	20,798,913
Other assets	300,022	306,403
Total assets	\$104,124,374	\$97,166,586
 Liabilities and shareholders' equity		
Current liabilities		
Current portion of long-term debt	\$1,979,722	\$1,955,202
Accounts payable	6,699,695	6,450,813
Accrued salaries, wages and expenses	4,909,644	4,135,342
Dividend payable	757,389	757,029
Customers' advances	2,892,004	981,680
Deferred income taxes	242,457	245,231
Total current liabilities	17,480,911	14,525,297
Long-term debt	5,034,456	5,417,990
Other non-current liabilities	3,317,132	3,276,551
Deferred income taxes	2,290,532	1,369,591
Total liabilities	28,123,031	24,589,429
 Shareholders' equity		
Common shares, \$.10 par value; 18,000,000 shares authorized, 12,846,608 shares issued, of which 1,626,031 and 1,631,364 shares were reacquired and held in treasury at the respective dates	1,284,661	1,284,661
Additional paid-in capital	8,039,875	7,910,708
Retained earnings	77,917,406	74,921,913
Accumulated other comprehensive income (loss)	228,458	(33,471)
Treasury shares, at cost	(11,469,057)	(11,506,654)
Total shareholders' equity	76,001,343	72,577,157
Total liabilities and shareholders' equity	\$104,124,374	\$97,166,586

Met-Pro Corporation
Consolidated Statement of Cash Flows
(unaudited)

Three Months Ended April 30,
2007 **2006**

Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities		
Net income	\$3,878,243	\$1,207,448
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	417,784	370,964
Deferred income taxes	904,929	(553)
(Gain) on sale of property and equipment, net	(3,513,998)	(4,410)
Stock-based compensation	127,527	81,800
Allowance for doubtful accounts	23,302	(79,003)
(Increase) decrease in operating assets:		
Accounts receivable	761,011	1,740,117
Inventories	(1,214,553)	(1,147,983)
Prepaid expenses, deposits and other current assets	44,199	86,777
Other assets	(1,935)	(2,250)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	787,810	(1,072,742)
Customers' advances	1,908,041	262,518
Other non-current liabilities	40,581	549
Net cash provided by operating activities	4,162,941	1,443,232
Cash flows from investing activities		
Proceeds from sale of property and equipment	4,342,598	4,410
Acquisitions of property and equipment	(354,559)	(2,227,748)
Net cash provided by (used in) investing activities	3,988,039	(2,223,338)
Cash flows from financing activities		
Proceeds from new borrowing	–	3,602,921
Reduction of debt	(367,235)	(330,508)
Exercise of stock options	39,238	55,232
Payment of dividends	(757,390)	(699,820)
Net cash provided by (used in) financing activities	(1,085,387)	2,627,825
Effect of exchange rate changes on cash	(33,583)	29,778
Net increase in cash and cash equivalents	7,032,010	1,877,497
Cash and cash equivalents at February 1	17,322,194	17,683,305
Cash and cash equivalents at April 30	\$24,354,204	\$19,560,802

Met-Pro Corporation
Consolidated Business Segment Data
(unaudited)

	Three Months Ended April 30,	
	2007	2006
Net sales		
Product recovery/pollution control technologies	\$10,546,886	\$9,298,349
Fluid handling technologies	6,054,072	5,917,494
Filtration/purification technologies	5,315,651	4,563,198
	\$21,916,609	\$19,779,041
Income from operations		
Product recovery/pollution control technologies	\$913,060	\$566,714
Fluid handling technologies	1,163,314	695,544
Filtration/purification technologies	289,423	338,409
	2,365,797	1,600,667
Gain on sale of building	3,513,940	-
	\$5,879,737	\$1,600,667
	April 30,	January 31,
	2007	2007
Identifiable assets		
Product recovery/pollution control technologies	\$34,810,198	\$35,332,252
Fluid handling technologies	20,968,230	21,667,719
Filtration/purification technologies	20,822,904	20,514,339
	76,601,332	77,514,310
Corporate	27,523,042	19,652,276
	\$104,124,374	\$97,166,586

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this shareholder letter, and other materials filed or to be filed with the Securities and Exchange Commission (as well as information included in oral or other written statements made or to be made by the Company) contain statements that are forward-looking. Such statements may relate to plans for future expansion, business development activities, capital spending, financing, the effects of regulation and competition, or anticipated sales or earnings results. Such information involves risks and uncertainties that could significantly affect results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of the Company. These risks and uncertainties include, but are not limited to, those relating to, the cancellation or delay of purchase orders and shipments, product development activities, computer systems implementation, dependence on existing management, the continuation of effective cost and quality control measures, retention of customers, global economic and market conditions, and changes in federal or state laws.

Met-Pro common shares are traded on the New York Stock Exchange, symbol **MPR**.

Financial information should be considered in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report and the Securities and Exchange Commission's Form 10-K for the fiscal year ended January 31, 2007. To obtain an Annual Report, Form 10-K or additional information on the Company, please call 215-723-6751 and ask for the Investor Relations Department, or visit the Company's Web site at **www.met-pro.com**.

Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure

This shareholder letter contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. A reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated in accordance with generally accepted accounting principles in the United States ("GAAP") follows. Although Met-Pro Corporation believes that these non-GAAP financial measures provide useful information to investors about its financial condition and results of operations, this information should be considered supplemental in nature and not as a substitute for financial information prepared in accordance with GAAP. Management's statements regarding the reasons why it believes the presentation of the non-GAAP financial information in this shareholder letter provides useful information to its investors, and any other material purposes for which management uses this non-GAAP financial information, are set forth in Met-Pro's Current Report on Form 8-K to which this shareholder letter is attached as an exhibit.

The following table reconciles income before tax, net income, and basic and diluted earnings per share, excluding the gain on the sale of property previously associated with the Company's Sethco business unit in Hauppauge, New York, as well as income before tax, net income, and basic and diluted earnings per share calculated in accordance with generally accepted accounting principles, for the first quarters ended April 30, 2007 and 2006:

Met-Pro Corporation Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure (unaudited)

	Three Months Ended April 30,	
	2007	2006
Income before tax as reported	\$6,016,891	\$1,775,660
Less: Gain on sale of building	(3,513,940)	—
Adjusted income before tax	\$2,502,951	\$1,775,660
Net income as reported	\$3,878,243	\$1,207,448
Less: Gain on sale of building	(2,213,782)	—
Adjusted net income	\$1,664,461	\$1,207,448
Basic earnings per share as reported	\$.35	\$.11
Adjusted basic earnings per share	\$.15	\$.11
Diluted earnings per share as reported	\$.34	\$.11
Adjusted diluted earnings per share	\$.15	\$.11
Average common shares outstanding:		
Basic shares	11,220,577	11,199,599
Diluted shares	11,468,767	11,439,813