



2nd Quarter Report

for the Fiscal Year Ending January 31, 2010

Dear Fellow Shareholder:

The second quarter again demonstrated the resiliency of our business model, as we sustained gross margins and improved operating efficiencies to generate profits and cash despite one of the most challenging quarters in our history. It is important to note that while credit markets remain tight, our cash position is at record levels. Our efficiency initiatives, including global sourcing, more effective logistics, and lean manufacturing, as well as the ability of our flexible manufacturing strategy to quickly adjust costs to match our level of business activity, enabled us to achieve 34% gross margins in the second quarter, consistent with the same quarter a year ago, despite revenue levels being down.

Entering the current fiscal year, we felt the global economic slump would present financial performance challenges. Our second quarter results were consistent with those expectations and continued to reflect weakness in our large project and industrial markets, where demand seems to be lagging general economic conditions despite resurgence of quotation activity, especially in municipal markets where the Federal stimulus program is beginning to take effect. This year we are also bearing the added burden of additional pension and health insurance costs. Consequently, both net sales and earnings were down versus the second quarter last year. Net sales for the second quarter ended July 31, 2009 were \$20.9 million compared with net sales of \$28.1 million for the same quarter last year. Net income totaled \$1.2 million and earnings were \$0.08 per diluted share for the second quarter, compared with net income of \$2.7 million and earnings of \$0.18 per diluted share for the second quarter of last year.

In the second quarter, cash flows from operating activities were \$4.2 million bringing our total cash flows from operating activities to \$10.1 million through the first six months of fiscal 2010. At July 31, cash was at an all time high of \$29.2 million. Keep in mind that our cash is net of over \$11.0 million in cash distributed to shareholders in the form of stock repurchases and dividends during the past 12 months. With credit markets still tight, and the economic slump pressuring earnings throughout the industries we serve, our historically conservative financial management practices have provided us with resources we believe will be useful in facilitating our long-term growth strategy, both from an organic and an acquisition perspective.

Though bookings in the second quarter are down from a year ago, they are up sequentially from the first quarter, and we are now starting to see more of the larger multi-million dollar opportunities that have rarely been seen in over a year. While we are optimistic, there are no assurances that any of these opportunities will result in orders.

Net sales for the six months ended July 31, 2009 were \$40.5 million compared with \$50.8 million for the same period last year. Net income for the first half ended July 31, 2009 totaled \$2.1 million compared with \$4.6 million for the same period last year. For the first half ended July 31, 2009, earnings were \$0.15 per fully diluted share compared with earnings of \$0.30 per fully diluted share for last year's first half.


On June 3, 2009, the Company declared a quarterly dividend of \$0.06 per share payable September 11, 2009 to shareholders of record at the close of business on August 28, 2009. The current quarterly dividend represents a 9.1% increase over the same period last year. This is the thirty-fourth consecutive year the Company has paid a cash or stock dividend.

We continue to build on the success of our efficiency initiatives, expanding our lean manufacturing program more broadly throughout our organization and implementing a long planned improvement to our ERP system. Both investments will make us better prepared for the eventual economic recovery and are expected to provide significant returns over the long haul.

We are also undertaking a restructuring of our Product Recovery/Pollution Control Technologies reporting segment. This restructuring will allow the Product Recovery/Pollution Control Technologies reporting segment to better leverage its extensive engineering, project management and sales resources across its various product brands. We believe this will not only improve operations, but will create additional capacity and expertise to pursue new growth opportunities in markets where we currently have limited penetration or no presence at all.

Though the first half of fiscal 2010 has been challenging, we have made significant progress during these difficult times, strengthening our balance sheet, improving operational efficiencies and investing in new programs to create new growth opportunities in markets where we believe the quality, dependability and reliability of the Met-Pro brand can succeed. We will not waiver from our disciplined cost management and remain committed to creating long-term sustainable value and growth for you our shareholders.

On behalf of all our loyal, dedicated and hardworking employees worldwide who have contributed to your Company's success, thank you very much for your continued interest and support of Met-Pro Corporation.



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

September 2, 2009

Met-Pro Corporation
Consolidated Statement of Operations
(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2009	2008	2009	2008
Net sales	\$20,885,583	\$28,145,718	\$40,526,591	\$50,802,192
Cost of goods sold	13,779,630	18,512,670	26,407,670	33,576,920
Gross profit	7,105,953	9,633,048	14,118,921	17,225,272
Operating expenses				
Selling	2,520,401	2,720,519	5,048,933	4,972,595
General and administrative	2,815,950	2,907,338	5,828,277	5,551,257
Income from operations	1,769,602	4,005,191	3,241,711	6,701,420
Interest expense	(53,632)	(63,705)	(107,455)	(128,766)
Other income, net	62,787	123,115	76,752	298,930
Income before taxes	1,778,757	4,064,601	3,211,008	6,871,584
Provision for taxes	595,889	1,361,640	1,075,691	2,242,978
Net income	\$1,182,868	\$2,702,961	\$2,135,317	\$4,628,606
Basic earnings per share	\$.08	\$.18	\$.15	\$.31
Diluted earnings per share	\$.08	\$.18	\$.15	\$.30
Average common shares outstanding:				
Basic shares	14,600,109	15,040,659	14,600,109	15,044,176
Diluted shares	14,660,511	15,375,261	14,672,811	15,402,394

Met-Pro Corporation
Consolidated Balance Sheet
(unaudited)

	July 31, 2009	January 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$29,194,993	\$21,749,653
Accounts receivable, net of allowance for doubtful accounts of approximately \$238,000 and \$167,000, respectively	13,893,905	20,177,672
Inventories	18,205,092	20,236,865
Prepaid expenses, deposits and other current assets	1,323,203	1,997,542
Total current assets	62,617,193	64,161,732
Property, plant and equipment, net	20,036,567	19,389,597
Costs in excess of net assets of businesses acquired, net	20,798,913	20,798,913
Other assets	669,402	402,062
Total assets	\$104,122,075	\$104,752,304
 Liabilities and shareholders' equity		
Current liabilities		
Current portion of long-term debt	\$965,741	\$746,042
Accounts payable	3,728,442	5,464,629
Accrued salaries, wages and expenses	3,757,040	4,546,199
Dividend payable	876,007	876,007
Customers' advances	351,803	356,008
Deferred income taxes	250,782	250,782
Total current liabilities	9,929,815	12,239,667
Long-term debt	3,815,542	3,753,228
Other non-current liabilities	9,068,469	8,855,912
Deferred income taxes	1,158,904	1,126,016
Total liabilities	23,972,730	25,974,823
Shareholders' equity		
Common shares, \$.10 par value; 36,000,000 shares authorized, 15,928,679 shares issued, of which 1,328,570 shares were reacquired and held in treasury at the respective dates	1,592,868	1,592,868
Additional paid-in capital	2,794,946	2,465,193
Retained earnings	90,110,613	89,727,308
Accumulated other comprehensive loss	(3,665,487)	(4,324,293)
Treasury shares, at cost	(10,683,595)	(10,683,595)
Total shareholders' equity	80,149,345	78,777,481
Total liabilities and shareholders' equity	\$104,122,075	\$104,752,304

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

	Six Months Ended July 31,	
	2009	2008
Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities		
Net income	\$2,135,317	\$4,628,606
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	980,752	956,311
Deferred income taxes	(1,195)	4,075
(Gain) on sale of property and equipment, net	(13,695)	(7,389)
Stock-based compensation	329,753	216,102
Allowance for doubtful accounts	71,397	18,454
Decrease in operating assets:		
Accounts receivable	6,484,484	479,529
Inventories	2,250,735	190,093
Prepaid expenses, deposits and other assets	425,126	552,804
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(2,768,636)	(2,887,814)
Customers' advances	(4,960)	539,328
Other non-current liabilities	212,557	(458,128)
Net cash provided by operating activities	10,101,635	4,231,971
Cash flows from investing activities		
Proceeds from sale of property and equipment	20,382	10,000
Acquisitions of property and equipment	(1,262,800)	(962,458)
Net cash used in investing activities	(1,242,418)	(952,458)
Cash flows from financing activities		
Proceeds from new borrowing	485,336	-
Reduction of debt	(238,287)	(764,991)
Exercise of stock options	-	468,436
Payment of dividends	(1,752,013)	(1,654,277)
Acquisition of treasury stock	-	(552,255)
Net cash used in financing activities	(1,504,964)	(2,503,087)
Effect of exchange rate changes on cash	91,087	(18,903)
Net increase in cash and cash equivalents	7,445,340	757,523
Cash and cash equivalents at February 1	21,749,653	21,906,877
Cash and cash equivalents at July 31	\$29,194,993	\$22,664,400

Met-Pro Corporation
Consolidated Business Segment Data
(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2009	2008	2009	2008
Net sales				
Product recovery/pollution control technologies	\$10,318,060	\$14,186,154	\$17,888,042	\$23,690,946
Fluid handling technologies	5,731,503	7,868,337	12,709,965	14,856,920
Mefiag filtration technologies	1,991,682	3,050,017	4,478,932	6,305,172
Filtration/purification technologies	2,844,338	3,041,210	5,449,652	5,949,154
	\$20,885,583	\$28,145,718	\$40,526,591	\$50,802,192
Income (loss) from operations				
Product recovery/pollution control technologies	\$903,152	\$1,699,022	\$1,048,355	\$2,591,273
Fluid handling technologies	971,076	1,857,018	2,277,081	3,236,972
Mefiag filtration technologies	(143,031)	178,774	(158,434)	337,902
Filtration/purification technologies	38,405	270,377	74,709	535,273
	\$1,769,602	\$4,005,191	\$3,241,711	\$6,701,420
Identifiable Assets				
Product recovery/pollution control technologies			\$34,438,214	\$39,623,284
Fluid handling technologies			19,804,884	22,056,812
Mefiag filtration technologies			11,732,099	11,410,677
Filtration/purification technologies			8,851,353	9,369,905
			74,826,550	82,460,678
Corporate			29,295,525	22,291,626
			\$104,122,075	\$104,752,304

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, goodwill impairment, 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, 2009. 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 website at www.met-pro.com.